PUBLIC/PRIVATE PARTNERSHIP STABILIZES OVERNIGHT OPERATIONS

UPS and Metropolitan College

RETENTION OF UPS’S METROPOLITAN COLLEGE (MC) PARTICIPANTS IN 2012 WAS 89 PERCENT COMPARED WITH A 60 PERCENT RETENTION RATE FOR NON-MC PARTICIPANTS WORKING THE SAME SHIFT.

The United Parcel Service (UPS), a $45.3 billion corporation, is the world’s largest package delivery company and a global leader in specialized transportation and logistics services. In the late 1990s, UPS needed to expand its Next Day Air hub operation in Louisville, KY, but the company was experiencing an extremely high turnover rate of over 70 percent among part-time employees that staffed the hub from 11 p.m. to 5 a.m.

Seeking to stabilize its part-time workforce, UPS helped create a public/private partnership that offered staffing support for its overnight operation in Louisville while contributing to the overall educational attainment in the region and state.

Developing a Public/Private Partnership

As UPS was considering expanding its Next Day Air hub to other locations – due to an unstable workforce pool – city, county, and state officials realized the economic imperative to keep UPS in Louisville. Working with UPS, they created an intermediary solution. A partnership was formed between Jefferson Community and Technical College, the University of Louisville, the Commonwealth of Kentucky, Louisville Metro Government, and UPS to meet the workforce demands of UPS’ Next Day Air operation and provide eligible Kentucky residents access to a tuition-free postsecondary education.

The partnership, called Metropolitan College (MC), is not a traditional brick and mortar college. MC provides career and academic planning as well as financial and support services vital to motivating and keeping working students engaged in the program. For instance, representatives of MC are on site at UPS to offer guidance for students, translating into greater employee/student retention.

In addition, MC participants employed at UPS’ Next Day Air hub are eligible for payment of up to 100 percent of their full-time undergraduate Kentucky resident-rate tuition. UPS funds 50 percent of the participant’s tuition and relocation costs, and the public partners match the other 50 percent of the participant’s tuition and infrastructure costs. UPS participants are also eligible for book reimbursements of up to $65 per class as well as academic completion bonuses.

A Rewarding Academic Partnership

MC participants are free to pursue certificates and/or degrees in any discipline offered by Jefferson Community and Technical College or the University of Louisville. The certificate or degree does not need to align with specific positions or careers at UPS.

Since MC’s inception in 1998, more than 3,500 individuals have earned over 5,000 certificates, associate degrees, bachelor’s degrees, and/or a master’s or other type of advanced degrees. MC has also helped more than 14,000 individuals pursue free postsecondary education and on-the-job training, and the majority of MC participants are the first in their families to complete college.
“In order to build upon the success of Metropolitan College and the School-to-Work program, UPS is exploring nontraditional sources of talent. We engage with community partners to find employees from low-income high schools, the foster care system, outside of the Louisville area and those with disabilities. These future employees would not normally come to UPS looking for a job. As a result of these innovative recruitment efforts, we are staffing our operations and at the same time, being a good community partner.”

– Scott Gregory, Airline Workforce Planning Manager, UPS

Business Benefits for Joining Public/Private Partnership

UPS recognizes that college students are a good match for its Next Day Air operation because they are more dependable employees. As a result, UPS offers part-time evening hours to accommodate the students’ class schedules.

Joining the MC consortium has helped UPS stabilize its workforce, decreasing its previous turnover rate from over 70 percent to less than 20 percent. In 2012, retention of UPS and MC participants was 89 percent compared to the 60 percent retention rate for non-MC participants working the same shift. As an added return, many participants who enter the UPS workforce through the Next Day Air operation continue with the company, excelling in career pathways and providing valuable, skilled talent in multiple divisions throughout the company.

Win/Win/Win

The MC partnership is a winning strategy for all participants. UPS gains a stable, skilled workforce in the part-time, next day air operations—as well as long-term career pathways. The city, region, and state retain a major economic engine and a more educated populace. Education providers enjoy committed, economically sustained students. And individuals achieve academic goals and career successes that lead to personal fulfillment and family-sustaining wages.

The UPS program offers educational attainment to individuals who have few other options, and of the students who completed the Graduation Plan Survey in 2009, 74 percent said they could not have afforded college if not for MC benefits.

This nationally acclaimed partnership could be replicated throughout the country where similar workforce requirements exist. The model is proving to be a great fit for overnight operations in the transportation, distribution, and logistics sector especially.

Background Information

ABOUT UPS/METROPOLITAN COLLEGE

SECTOR: Package delivery and global supply chain and freight services
SIZE: Founded 1907, now $45.4B corporation
SERVES: 200 countries and territories worldwide

For more information, please visit:
www.ups.com
www.metro-college.com

ABOUT THE EMPLOYMENT PATHWAYS PROJECT

The project is catalyzing a national effort to “flip the switch” on employer demand for opportunity youth—young adults ages 16 to 24 who are out of school and work. The project works to harness the power of the private sector so that employers play an active role in developing new sources of skilled talent.

For more information, please visit:
www.employmentpathwaysproject.org

Personal Story

Louisville native Nicole Fields did not expect to find educational benefits when discussing employment with the UPS recruiter who explained the MC program to her. As an employee at UPS and an MC student, Nicole earned a bachelor’s degree in sociology from the University of Louisville. She credits the program with giving her the opportunity to pursue her goals. “The Metropolitan College program provided me with free college tuition, bonuses and a program mentor.” Without the benefits of MC, Nicole says it would have been more of a challenge to complete her degree in a timely manner. Nicole says the program offered motivation through financial reward. “The Metropolitan College program offers more benefits to students than most educational programs. Not only is your tuition covered at 100 percent, but bonuses offset the additional costs students incur,” she says. Nicole is now an outreach director at the Girl Scouts of Kentuckiana, Inc. She earns a family-sustaining wage, allowing her to support her family and the economy of Louisville.