



# 2019 IARW North American Warehouse Employee Turnover Report

## Measuring 2018 Facility Turnover



## About the Survey

The 2019 IARW North American Warehouse Employee Turnover Survey was created under guidance from a team of GCCA members and staff from the Market Intelligence and Research Committee and Human Resources Communities.

## About the Report Author

Data was analyzed and the final report was written by Victoria (Vicky) Salin, Ph.D., an Associate Professor in the Department of Agricultural Economics at Texas A&M University specializing in agribusiness management and finance. She is also a member of the WFLO Scientific Advisory Council. Her research specialty is in applications of real options theory to agribusiness investments, currently analyzing food safety risks and risk-shifting contracts. Her contributions to the industry include working with WFLO on many research projects including flagship reports like the Productivity & Benchmarking Report, Cold Chain Index and Global Capacity Report, among many others.

## About the Research Sponsor



Since 2002, Plus Delta Consulting has become a well-respected and sought-after coaching and consulting firm that specializes in improving performance and producing better business results for our clients. For the past 7 years, Plus Delta and our CHIEFEXECcoach division have also served as trusted Talent Management partners for the Global Cold Chain Alliance and many of the Association's Member companies. We have led countless strategic planning, succession planning, and executive coaching programs along with several more targeted leadership development, training, and performance management initiatives across the cold chain. Whether you're a small family business or one of the largest companies in the cold storage and third-party logistics industry, we're committed to helping you address your greatest business challenges and implement some positive changes for the future.



## North American Warehouse Employee Turnover in 2018

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For the year ending December 2018, the labor turnover rate averaged 32.5%. Turnover was greater than 100% at eight facilities in 2018. Managers of 66 facilities indicated few retention issues in 2018, with turnover of 10% or less.

The Western/Mountain region had the largest average turnover rate. Retention of workers was the strongest in the Pacific region where California and Washington State reported below-average turnover rates.

Managers at around 10% of the responding facilities noted that they have raised pay and/or benefits and found it to be a successful counter-measure to reduce turnover in the labor force. Other changes that respondents considered helpful in retention included communications at the hiring stage, teambuilding strategies, and the use of temporary labor.

**Table 1. Labor Turnover Rate, Industry-wide and by Region**

	Number of Respondents	Average Turnover Rate, Trailing 12 Months	Standard Deviation	Minimum	Maximum
<b>All regions</b>					
2017	102	0.402	0.308	0	1.6
<b>2018</b>	<b>212</b>	<b>0.325</b>		<b>0</b>	
<u>Northeast</u>					
2017	14	0.329	0.231	0.05	0.93
<b>2018</b>	<b>16</b>	<b>0.18</b>	<b>0.205</b>	<b>0</b>	<b>0.71</b>
<u>Southeast</u>					
2017	31	0.445	0.282	0.06	1.4
<b>2018</b>	<b>52</b>	<b>0.322</b>	<b>0.366</b>	<b>0</b>	<b>1.95</b>
<u>Heartland</u>					
2017	21	0.416	0.301	0.06	1.07
<b>2018</b>	<b>38</b>	<b>0.328</b>	<b>0.324</b>	<b>0</b>	<b>1.23</b>
<u>West - Mountain</u>					
2017	12	0.545	0.388	0.04	1.07
<b>2018</b>	<b>22</b>	<b>0.527</b>	<b>0.568</b>	<b>0</b>	<b>2.00</b>
<u>Pacific</u>					
2017	24	0.307	0.327	0	1.6
<b>2018</b>	<b>81</b>	<b>0.300</b>	<b>0.684</b>	<b>0</b>	<b>6.1</b>

Source: Labor Turnover Survey, Global Cold Chain Alliance and calculations by the author.

The table reports Trailing Twelve Months (TTM) labor turnover rate for a facility, in decimal form. The metric is calculated as: The total terminations in the last 12 months, divided by average ending monthly headcount.

Regional averages were calculated based on the following groupings:

**Northeast**

Connecticut, Delaware, Massachusetts, New Brunswick, New York, Ontario, and Pennsylvania.



### **Southeast**

Alabama, Florida, Louisiana, Maryland, Mississippi, North Carolina, South Carolina, Georgia, Tennessee, and Virginia.

### **Heartland**

Illinois, Indiana, Iowa, Kansas, Kentucky, Minnesota, Missouri, Nebraska, Ohio, and Wisconsin.

### **West-Mountain**

Colorado, Texas, Utah, and Arizona.

### **Pacific**

California, Idaho, Oregon, Washington, and Alberta.

## **Reducing Facility Turnover**

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In addition to quantitative data collected, respondents had an opportunity to share examples of tactics taken by their companies to improve retention. A few examples include:


### **Minnesota Freezer Warehouse Company**

Focusing on daily communications with staff and promoting company culture through various ways, has been effective at the family-owned company in Minnesota, says Charles T. Newell, President of Minnesota Freezer Warehouse Company. “In the last two years we have incorporated more informal meetings, and or standing meetings that are short in duration, typically nothing longer than 10 minutes,” he says. “We notice more feedback and more dialog in these settings since they are informal and typically in the warehouse versus the office, and our employees like that the informal meetings seem to address issues in a timely fashion.”

Giving workers a voice and letting them see that their voice is recognized by management is an effective way to engage employees and to get them to take ownership in their work, he adds. “Lastly, we have created an internal employee newsletter that typically covers topics on employee safety, healthy lifestyle, finance and cultural events,” he says. “Through our newsletter, we celebrate the culture that we have created, and we have celebrations that honor our employees through dinners, picnics, and awards.”

### **Newport-St. Paul Cold Storage Company**

Improving his company’s retention of warehouse workers is the result of attention to wages, benefits and paid time off policies, says Drew Greenberg, President and CEO of Newport-St. Paul Cold Storage Company. Ensuring that his company offers competitive wages requires evaluation of several factors.



“We look at the flow of applications based on the advertised job, experience of the candidate, local area and city wages of comparable jobs,” he says.

Wages are not the only way that his company stays competitive, Greenberg points out. “Employees are eligible for health insurance after 60 days, PTO eligibility is after 90 days and is accrued for each month the employee works at a rate of four hours every month worked,” he explains. “Employees who have worked 90 days are also eligible for pay on company holidays as long as the work the day prior to and after the holiday.”

### **SnoTemp Cold Storage**

Annual employee surveys as well as exit interviews with employees who choose to leave the company are two ways that SnoTemp Cold Storage identifies ways to improve employee satisfaction and retention, says Mike Litten, Human Resource Manager. “This last year we also engaged the staffing agencies to help us determine why folks leave the assignment before being hired on a permanent basis,” he says.

“We grouped the data into management categories and discussed the results as a support services group with compliance, human resources and information technology representatives,” says Litten. Once the team found common themes in areas that could be affected, annual projects that addressed specific issues were created and implemented. Most issues centered around training for new hires. “There’s not a lot we can do when somebody quits because ‘it’s just too cold.’”

The team also discovered that new employees were not aware of the strong benefits package that is available to permanent employees, says Litten. “We used to wait until they rolled over from temporary to full-time to dive into the details, but in this tough labor climate, we discovered that we need to get people excited about what we offer,” he says. This transparency and letting people know what benefits are offered make people want to “stick around,” he explains. “We added a discussion of benefits to our onboarding program so that new employees don’t just hear about it from me, but also from supervisors and managers who use it to explain the benefits – both tangible and cultural – of working for SnoTemp.”

## **Resources**

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Visit the Human Resource & Talent Development hub on the GCCA website for ideas on how to reduce turnover by increasing the effectiveness of recruitment, retention, onboarding, and employee engagement activities: [\[https://www.gcca.org/resources/industry-topics/human-resource-talent-development\]](https://www.gcca.org/resources/industry-topics/human-resource-talent-development)