# Saladino's Foodservice Individual Appendix

## Appendix A   Interview Summary

1. **Our understanding is that there are recruiting challenges in getting qualified candidates to keep up with your workforce demands in warehouse and truck driving jobs. Can you tell me about your perspective on the challenge and how long it's been a concern?**

   **Answer:** The workforce has changed as well as the environment. Overall, the company is desperate to find a way to address their turnover rate issue. The problem has been going on for five years and peaks in 2018-2019. Warehouse has lots of applications, not high quality but high flow. Trucking is the opposite. Customer service, professionality and physical fitness are all required for truck drivers. Warehouse work starts at 5AM, there are different temperature zones for warehouse workers. The company is now moving drivers from one place to another to cover the routes because the company is short of drivers.

2. **We also understand that competition for qualified candidates has been increasing, including from eCommerce companies. Can you tell me about your perspective on the competition for workers?**

   **Answer:** Pay is always an issue. The company is interested to know what the top pay company's turnover rate is because raising pay might bring higher return on investment (ROI). The company pays by hour and after-work hour is also being paid but drivers still left their jobs for companies that offer one-in-all payment. The company prefers to offer higher pay than lose drivers that they trained but left their jobs for other companies. The workplace environment side is pretty decent, and the company is confident in that aspect.

3. **How do you think this problem has been affected by the pandemic? Do you see this problem continuing post-pandemic?**

   **Answer:** The company is suffering turnover issue more than one year ago, so not sure if it is due to the pandemic.

4. **Are you content with the candidates that you do accept into the jobs?**

   **Answer:** The company used to get many interviewees for the job but now only contacts over the phone. Many candidates that are accepted into the jobs accept the offer but never show up etc. For

existing employees, the company is content with the workers enough to extend the offer but wish to have more experienced workers (not high expectations for these drivers at least for the first couple of weeks).

5. **What are some growth opportunities for these jobs? What are their career paths forward?**

   **Answer:** The company uses the term associates rather than employees to form an impression that the company is one team and everyone is valued. Job is stable, pays well and there is no seasonal layoff, most of the time is more hours and more work. There is no career path listed in the job description. Most of the people in the management team worked their way up (career promotion is definitely possible within the company). The management team's (trainers, supervisors, managers) turnover is very small, which is good news for the management team but no good news for incoming workers who want to be part of the management team.

6. **What are some rewards  recognition programs for these jobs, if any?**

   **Answer:**  The company is offering a recognition program that everyone can benefit from (from management to associates). The company offers certificate to give to associates to recognize their performance, annual increase in payment, benefit programs include gift cards ($25), years of service awards, recent experiment with small $5 gift cards, quarterly drawing (winner gets $1000), yearly drawing (winner gets $2000).

7. **Has your company considered or implemented technology solutions to relieve job shortages, such as autonomous labor? If autonomous labor has been employed, what stage is it at?**

   **Answer:** The company sees every opportunity to do automation. Autonomous drones were tested but not put to use yet and autonomous labor cannot replace most of the work at the current stage.

## Appendix B  Saladino's Foodservice Data Analysis

We received 8 excel files which contained multiple spreadsheets from Saladino's Foodservice. The excel files contained data about employee information, including wage data on warehouse and transportation hires. Additionally, there was employee turnover data that spanned from 2017 - 2020, including the average headcount for the warehouse and transportation divisions. We also received an Affirmative Action Report for 2020, that includes data on new hires, promotions, terminations, and applicants, including their status in the recruitment process. We reviewed the employee and applicant data provided in the excel files to answer several meaningful recruitment-related questions for Saladino's Foodservice.

1. **What is the turnover for newly hired employees?**

   We notice that among the 322 new hires, 229 of them already left the company. This turnover represents a significant percentage of the new hire population; it would be useful to track this metric over time by location to establish norms and benchmarks to identify changes and trends in order to identify opportunities by location as they occur.

2. **What are some common reasons for termination and how does that change for different departments?**
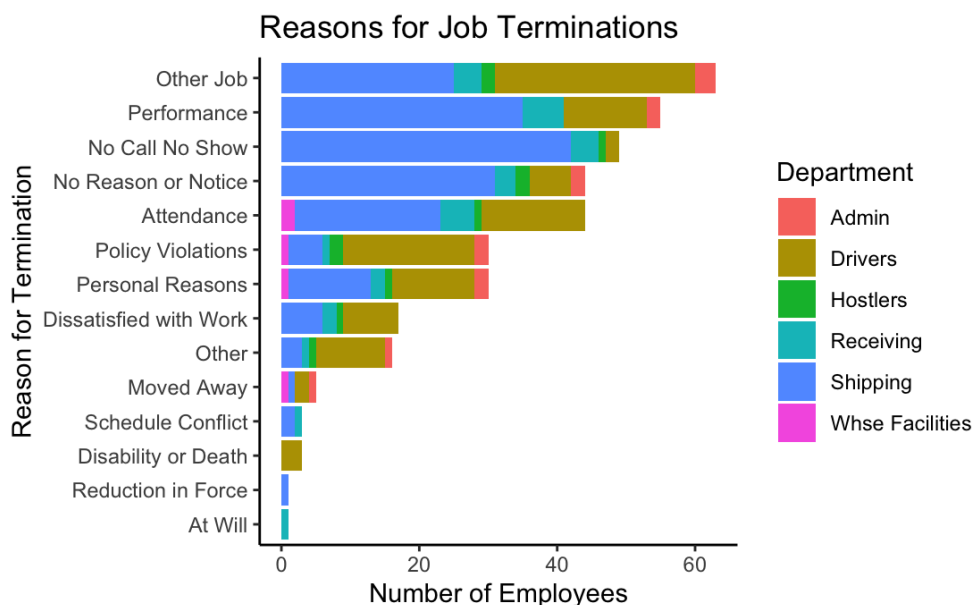


Based on the plot shown below, we can observe that the top 5 reasons for termination from the third quarter of 2019 to second quarter of 2020 are other job, performance, no call no show, and no reason or notice. This finding coheres with our understanding of turnover as most employees left for other jobs. One thing to be noted here is that the reason for no call no show and no reason or notice is not documented in the data. In the future, the company might want to collect more feedback from employees and applicants to further the understanding of these decisions.

When segmenting the bars by departments, we found that more warehouse workers were terminated because of performance, no call no show, and no reason or notice compared to drivers. This indicates a material percentage of warehouse employees experience short tenures with the organization and are not long-term fits for the position; there is thus an opportunity for increased efficiency and lower cost per hire should this number be reduced to an lower, more optimal percentage. For drivers, other job and policy violations seem to be the most common reasons for termination. The company can use the proportions as benchmarks and track changes in the reason for termination in the future.
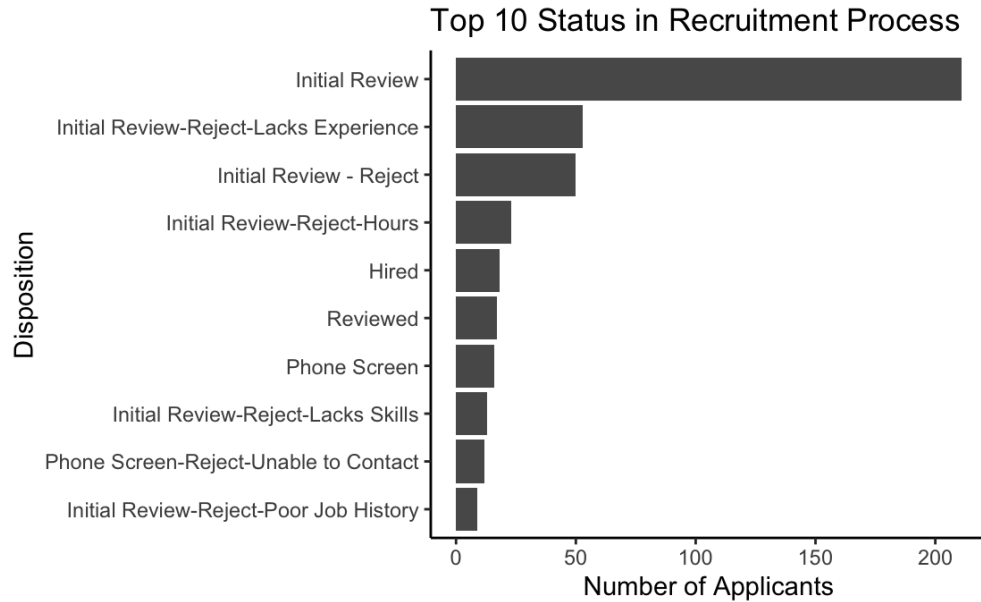
3. **How does the number of terminated employees change over time and how does the pattern change for different departments?**

Number of Terminated Employees (7/2019 - 6/2020)
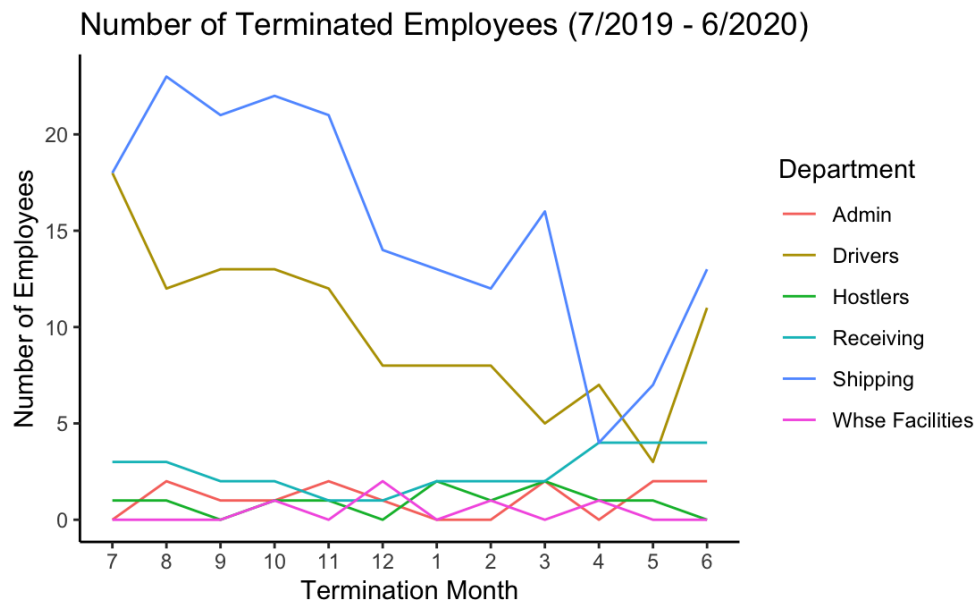


The plot shows the number of terminated employees for different departments from July, 2019 to June, 2020. For the two largest departments, shipping and drivers, they both show a decrease in the number of terminations from 2019 to around April and May in 2020. The sudden increase afterwards is possibly due to the outbreak of the pandemic. The terminations in other departments stay relatively stable. If the company can track the number of terminated employees over a longer period of time, it is possible to include other factors such as seasonality to further examine the trend.

4. **Among the applicants, what proportion of them were hired / rejected / withdrawn voluntarily?**

We can see that the most common status in current data is "Initial Review". However, because the application date for most candidates documented as this disposition was much earlier than June, 2020, we think that the large amount of "Initial Review" is mostly due to the outdated data. Therefore, we did not calculate the proportion of each disposition as that might be misleading.

## Top 10 Status in Recruitment Process



Nevertheless, we can observe that many applicants are rejected in the initial review because of hours, experience, and poor job history. We suggest the company consider updating disposition more frequently to reflect changes in them.

5. **How does the number of terminated employees change over time and how does the pattern change for different departments?**
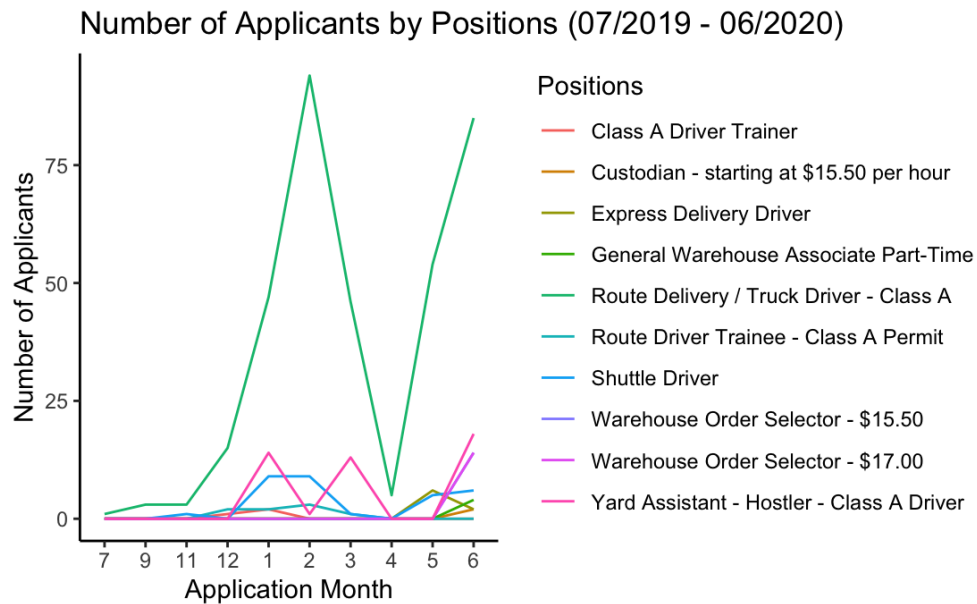


Based on the plot, we first observe a spike of applicants around February 2020 and June 2020 for part-time warehouse associates. This is likely due to the increase in demands from restaurants and

schools around the time. Because we do not have data on requisitions, this plot is large biased by the number of openings in each month. The company can consider calculating the number of applicants per opening for each position in the future and see whether there are seasonal effects in that metric.

6. **How does hire rate differ by regions?**

Table 1: Hire Rate by Loacation

| Site / Location | Hire Rate |
|---|---|
| Benicia | 0.14 |
| West Sacramento | 0.13 |
| Fresno | 0.05 |
| Reno | 0.04 |
| Sacramento | 0.04 |
| Ontario | 0.03 |
| Simi Valley | 0.03 |
| Norwalk | 0.01 |
| Gilroy | 0.00 |

The table shows that Benicia and West Sacramento regions have the highest hire rate based on the data received with 0.14 and 0.13. This means that among 100 applicants, 14 of them might be hired in Benicia. Other regions have considerably less applicants hired. However, this result is also biased by the number of job openings. If Benicia and West Sacramento tend to have more job openings than other regions, then they have a larger base of applicants.

7. **Does salary distribution for warehouse workers and truck drivers differ for distribution centers?**

Salary Range for Warehouse Workers by DCs


Salary Range for Drivers by DCs
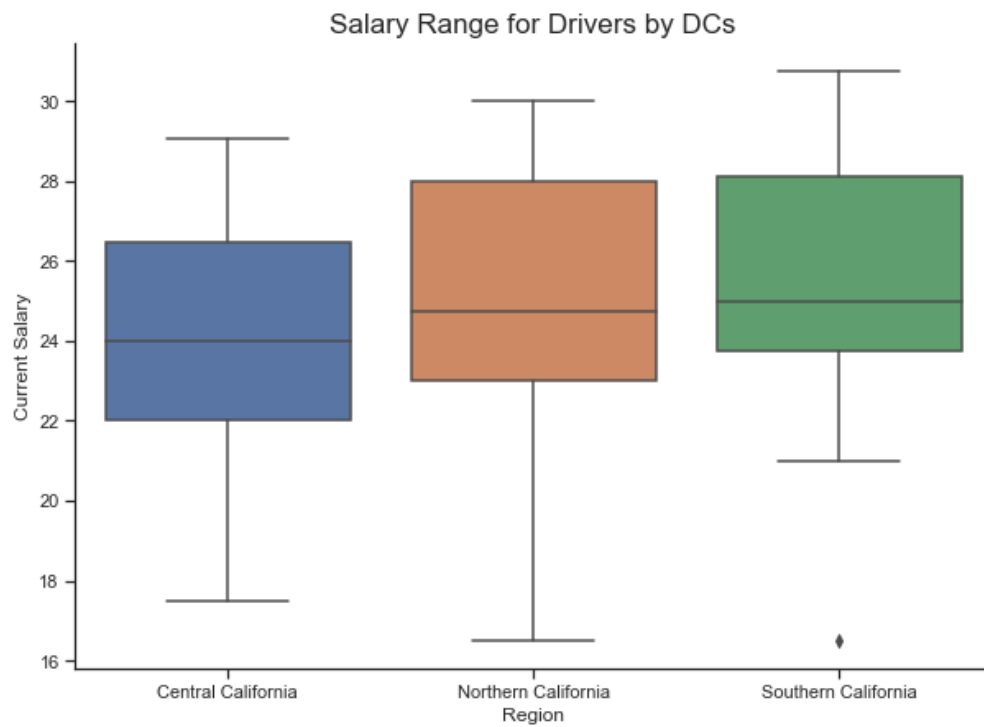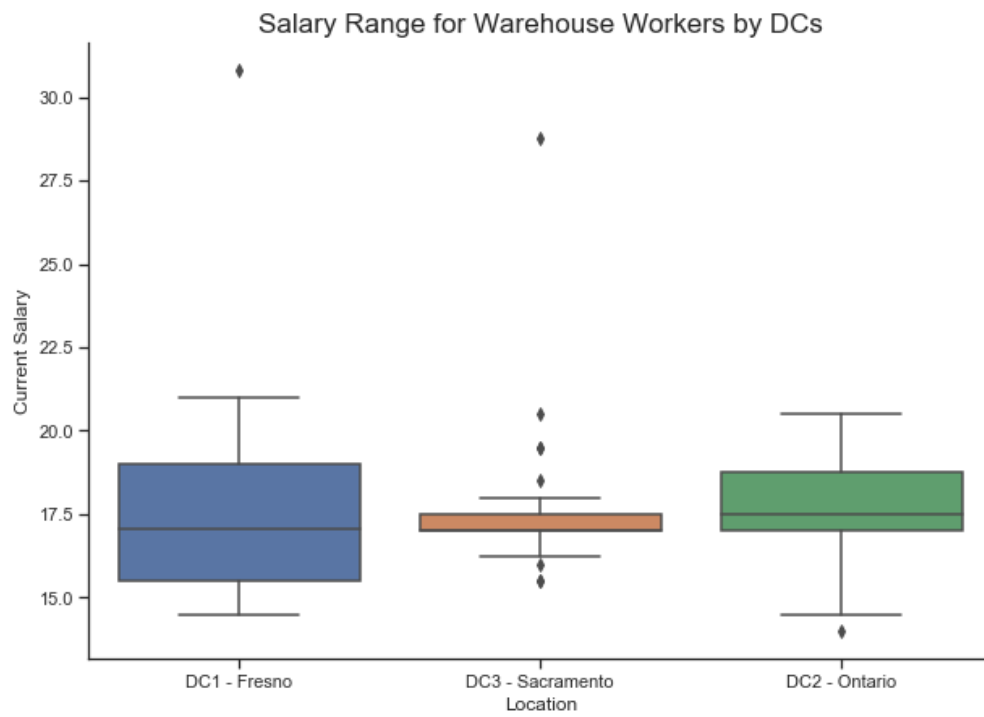
The salary distribution for all locations centers around $17.5, but we can see a clear difference between the salary range for distribution centers. The lower line of boxes shows the value of the 25th observation if we order data in ascending order, while the upper line represents the 75th observation. Therefore, the colored boxes include 50% of the observations for each distribution center. The distribution center in Sacramento has the narrowest salary range with most salaries around $17.5, while the Fresno distribution center has the widest range from around $14 to $31.

The pattern in salary range for warehouse workers does not apply to drivers. We grouped locations into Central, Northern, and Southern California because there are more locations for drivers to work in. For clarity, the order of the boxes stay the same: Fresno is in Central California, Sacramento is in Northern California, and Ontario is in Southern California. Compared to salary ranges for warehouse workers, drivers have wider salary ranges in all locations. We also observed that Central California has a slightly lower average driver salary than the other two regions. More importantly, the difference in salary range across three locations is not present for drivers.

8. **How does salary change for drivers who stayed longer in the company?**



Driver Salary by Hire Date for Different Regions
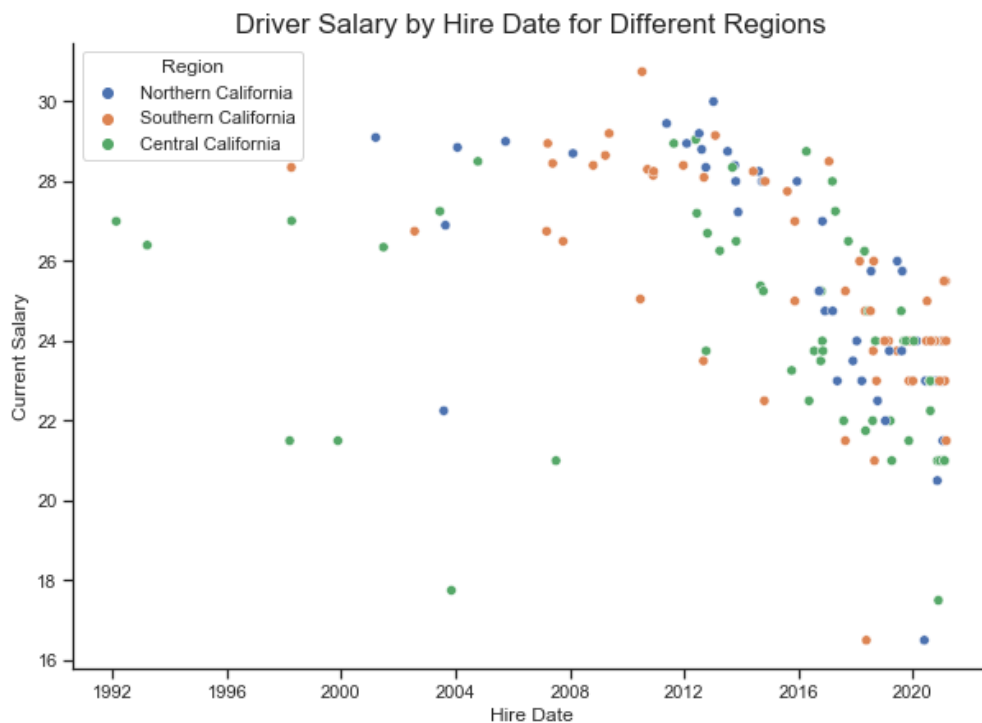
As expected, drivers who were hired earlier generally receive higher salaries. There are five drivers who were between 1996 and 2008 being paid a much lower salary; four of them are from Central California. We also observed a clear decrease in salary for drivers employed after 2012 across all regions. This might suggest that drivers who stayed for 18 years in the company have reached the upper bound of the driver salary in the company.