

WOODEN PALLET INDUSTRY WORKFORCE CHALLENGES

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An Introductory Note from the National Wooden Pallet & Container Association:

- *This workforce study sheds light on the challenges the wooden pallet industry is addressing. While these challenges impact various manufacturing sectors in our post-pandemic world, wooden pallet companies have been testing and implementing creative solutions specific to the industry. As the voice of the wooden pallet and container industry, NWPCA is committed to continuing this important research with the Manufacturing Institute, along with adopting recommendations that will continue to bring attention and innovative solutions to this critical workforce.*
- *NWPCA members may enjoy access to the full report via [the membership portal](#).*

EXECUTIVE SUMMARY

The wooden pallet and container industry touches nearly every part of the economy, serving as the backbone of storing, transporting and shipping goods. With more than 1.8 billion wooden pallets used daily in the United States alone, the industry contributes \$10.7 billion to the American economy. The NWPCA represents this essential industry as the world's largest organization of wood packaging professionals, with more than 750 member companies in over 40 countries who manufacture, repair and distribute pallets and wood packaging or supply products and services to the industry.

The MI, in partnership with the NWPCA, conducted a study on the workforce challenges facing this industry from March to May 2023. This project aimed to identify the key issues that wooden pallet companies are tackling, solutions that are being tested, recommendations for the industry and ways NWPCA can support its members. The study consisted of an online survey and in-depth interviews with industry leaders.

Topline Report Findings

Challenges

- The critical workforce challenges facing the wooden pallet industry are recruitment and retention. While the labor market is historically tight, the strenuous labor required of entry-level work contributes to high turnover rates.
- Roughly 67% of surveyed companies indicate their greatest recruitment challenge is getting applicants.
- In addition, 65% of companies cited better compensation elsewhere as a reason employees quit their jobs, with 56.7% stating strenuous work as another top reason.

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NWPCA Member Company Solutions

Companies have been working to address the above challenges in several ways, including expanding talent pools, improving the recruitment process, providing training and career development, building company culture and other retention strategies.

- **Expanding talent pools:** NWPCA members PalletOne, Challenger Pallet, PalTech, Conner Industries, Kamps Pallets and 48forty are recruiting actively from incarcerated and second chance populations. 48forty has also been partnering directly with veterans' organizations, such as Military Hire. Bettaway has established a strong collaboration with the Rutgers Center for Adult Autism Services to hire workers with disabilities.
- **Providing training and pathways for career development:** Member companies have begun providing training and career development opportunities to address workforce challenges. Conner Industries and Kamps Pallets make a point to emphasize long-term opportunities and internal career paths wherever possible. In fact, nearly 30% of survey respondents report they are creating or expanding internal training programs with 11% collaborating with educational institutions on skills certification programs in response to workforce issues.
- **Building company culture and retention:** Kamps Pallets, J. F. Rohrbaugh and 48forty have emphasized workplace flexibility and company culture to attract and retain more employees. Among other companies, PalletOne and Conner Industries report regularly reviewing and prioritizing workplace safety. Overall, members are also increasing compensation, investing in automation where possible, providing more workplace flexibility and expanding benefits. For example, Challenger Pallet, PalTech and PRS Group offer benefits like 401(k) plans with vesting schedules to incentivize employees to stay for the long term.

Recommendations

- The MI recommends that NWPCA take a three-pronged approach to provide solutions that are scalable in the future, positioning the organization as a platform and convener for companies to find answers to their workforce questions:
 - **Second Chance Hiring**—NWPCA could coordinate a region-specific pilot program to demonstrate how to recruit and retain individuals with criminal records successfully.
 - **Talent Acquisition and Retention Series**—NWPCA could host quarterly in-person workshops for HR, talent acquisition and operations staff to hear about creative approaches to recruitment and retention, learn from each other and crowdsource solutions.
 - **Workforce Webcasts**—NWPCA could create a monthly webcast series where NWPCA staff interview individuals who have tackled recruitment and retention challenges and highlight their successes.
- Beyond these three immediate recommendations, there are several activities sponsored by the MI that NWPCA or its member companies could participate in. These include the following:
 - Military-to-manufacturing programs
 - Apprenticeship and other training models
 - Increasing and supporting women in the industry
 - Student outreach programs

NWPCA members may enjoy access to the full report via the membership portal [here](#).