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*!?! STAFFING. YOU'RE NOT ALONE.

A CROSS-COUNTRY SURVEY OF THE STATE OF HIRING.

By Jay Jacobowitz

A late September survey of independent natural products retailers across the country about their workforces reveals common problems, continuing pressures, and some silver linings.

West Coast Retailer 1: “Staffing and labor are still pretty troubled. There are a lot less people to pick from, and with the lowest unemployment in the country here, nobody who wants to work isn’t already working. And they have moved on from food retailing and are not coming back to it. We have high-level kitchen openings, several cashier openings, and could immediately hire seven or eight people to cover the store.

“We are making small improvements, like going back to in-person and group training since pre-Covid. We’ve turned staff over in the stores the last couple of years, so many have never had a training in our five department areas. We’ve increased health benefits. We’re just trying to hold onto staff. But when I think about how we are doing relative to others, we are doing better. Our customer experience is good, the store has a good vibe that doesn’t exist in other stores, according to our vendors that serve the grocery industry here.

“I’ve been spending time up front at the checkout stations. During the pandemic, we put an extra piece of tape on any item that could come open. We re-bagged cherry tomatoes into cardboard instead of plastic, and put them in another paper bag, too. Our checkout folks during the pandemic have been on the front lines by themselves and have developed a sense of entitlement in how they do things. So now we have to change some things, like paying a bit more attention to the cost of supplies. We brought back our salad bars, but not the hot bars. Things like our house-made soups are still prepacked.

“During the 2007-2008 recession, we had no sales problem. It wasn’t until 2010 that we flattened out a bit. Then, Covid took us out. We are up close to 10% compared to last year—at least 5% of that is inflation. We are just getting back to where we were in 2019, with profits holding. We do feel we are growing, with customers coming in in droves.”

West Coast Retailer 2: “Things are improving. Overall, it feels like a bit more optimistic all the way around. Covid cases have dropped in our stores. Staffing has improved considerably; it’s been really shallow for a long time, really challenging. Whereas it was a feast in hiring before Covid, it went down to almost nothing. We are still not back to where we were with hiring pre-pandemic. But the best anecdote I have is, going through the applications for our stores advertising one cashier job, we had 200 applicants in just the last two weeks. More applications were sitting in there, another 400 from the prior six weeks. Something is going on. I’m speculating, it is possible government programs are ending; rent-paying programs.

“As far as applicant quality, you never know until they start. The number of terrible applications is still the same percentage it’s always been with people not answering basic questions correctly, like the last place worked. It is new that we’re getting new people in again. Our core staff leadership are stronger than they’ve ever been. We did lose some good people over being yelled at by crazies. But most hung on through that and seem unstoppable now. They’re fired up. They’re able to do what they signed up to do in the job they love. I sense optimism all around.

“Customer count in one of our stores has dropped off a cliff, but our baskets there are higher. I think people are taking advantage of stuff they learned during pandemic, like ordering online for delivery. Some went to Amazon to buy their staples. Our biggest challenge is getting customer counts back up in some stores. Counts in our other stores have held. Anti-mask sentiment is strongest in one of our stores compared to the others. Customers saying things like, ‘I’ll never shop here again.’ I don’t know if that’s real.

“The thing that is terrifying is pricing. In our supplier meetings, they tell us prices are going up again in November, a big increase, with no end in sight. The State minimum wage is going up again at the end of the year. Other costs are going up, like water, gas, electric, and trash, with 50 percent increases. As far as being optimistic about that, well, we’re not alone. To pay for all of these new costs, if the floor moves up, the ceiling has to, too.”

Southwest Retailer: “We’ve had one young lady working for us full time for a long time decide to get married and move to a ranch an hour away, so she is leaving. Another one is leaving because we can’t offer insurance. She’s single in her late twenties. The interesting thing is, we tried to do multiple stores, and you needed more people. Now that we are in our one location, we are filling in more with ourselves. And because we don’t have the staff, we’re figuring out how we can fill those gaps, and don’t need as many people as we thought we did.

“We will definitely need a couple of days a week to replace the 40-hour position that is leaving. We had a cold infection go through the store a little while back, but the people that managed to be healthy, and with me being on the floor, we still covered it. We don’t have enough customers coming in for us to say we’re so far behind. Just enough customers coming in to feel good.

“It’s always been hard to find people. We put a sign on the door of one of our satellite locations. But only one candidate ever worked out hiring off the street. I’ve advertised on Indeed [indeed.com], and on Monster [monster.com], posted jobs there, but those weren’t good candidates, and didn’t show up for work. No courtesy call to tell us. They were even flakier than those that walked in off the street.

“We’re just going to have to do a better job with our job description. We offer more in the way of knowledge, especially if you like vitamins, you get to learn, and get to help people. We have a few perks, like a nice break room, and a 30-minute lunch. We provide a good brand of glass-bottled water free while you work. Some of the little things we try to provide. The Saturday crew gets lunch. That we can manage, that won’t break us. We think we are more fun and more pleasant than other places to work. Those who stay with us tend to be older women, with kids out of school, or maybe teenagers, whose husbands work and have health insurance. They tend to work the best for us, because they don’t need to be off because the kid broke his leg. Maybe we’ll start recruiting at PTA meetings!”

Midwest Retailer: “Staffing is the number one thing that keeps us up at night. In the old days, you could rely on someone to stay in their position. Our core leadership is solid, but none of the new hires wants to work evenings and weekends, so you stretch your core team. Eighty percent of the time, the store looks okay, and 20% of the time, your merchandising falls down. And new staff doesn’t give notice. You have to pay everybody more. And they still just leave.

“Coming out of Covid, there’s a sense that we hung in there, altogether. But what happened is some employees’ lives fell apart. Home schooling, ill parents, divorces. And that fatigue, post-Covid. They had held it together all that time, so when the pandemic ended, exhaustion set in.

“But challenges continue. Inflation, supply chain, and customers stressed out too. For our food service, since restaurants came back, staffing the delis has been difficult. We reopened the salad bar in our two main stores but put in grab and go in the others. We partner with local restaurants for the rest of the menu because we can’t get enough staffing. You don’t want to open, and then have to pull back the menu.

“One of the things post-Covid is customers don’t need as much service as pre-Covid. Customers were supplement focused on immunity for two years—although now it has shifted dramatically to supplements for stress. People learned to serve themselves, and younger people don’t want service. They’re on their cell phones or have earpieces. People are also taking long-postponed vacations, and some are going back to school, so they’re all in a hurry. Our service is there if you want or need it, but we do not go above and beyond as we did before.

“And many customers are still working from home, so the after-work rush is not as busy, and we keep less staffing then. We track sales by department and by the time of day, so you have to staff by that. Price increases mean having to be much more disciplined. It’s actually more chaotic post-Covid than before.

“Overall, our staffing levels are 80% to 85% there. Three managers retired during Covid, so we restructured afterwards. We finally have a really solid human resources person. Today, you have to be a bulldog. You have to call a job candidate that’s on the hook 20 times. If they don’t answer their phone, you text them. Two of 10 scheduled interviews actually show up. It’s in part because of the unemployment rules: they just have to show that they set up an interview appointment in order to collect. Plus we’re battling competitive wages elsewhere. Ghosting happens. Now we are adjusting to meet them there in the new recruiting reality. Cashiers want to start at \$15 an hour. No one is under \$12 an hour anymore.

“With training, it’s really basic. A lot of young employees don’t know how to work at all, let alone how to work in a store. Things like show up on time, be presentable, put your phone down, talk with people. The old school job description doesn’t work anymore. Young people need visual learning. New cashiers are often overwhelmed, sometimes asking, ‘Can someone be up here with me?’

“We’ve had to become more sensitive to the stresses new young employees feel. Many people in their twenties to low thirties are prone to anxiety and panic attacks. We are getting more leaves-of-absences for suicidal tendencies and depression. You are alerted that something’s wrong when they start calling out. Managers will reach out to these employees. And younger folks have no filter, they are used to sharing their feelings on social media. We’ve had to come up with a plan to deal with that, if we want to keep the employee. One went into rehab. One needs a job, but wouldn’t eat because she didn’t have any money, and is in an abusive situation at home.

“Our history is, we were an old-line health food store. If you look at the impact of Covid in general, many in the Boomer generation retired early, to move closer to family, to downscale, and don’t want to be out in public, exposed to infection. So the next generation got pushed up into the workforce faster. They didn’t start gradually in entry level positions where they could gain basic work experience in a low-pressure environment. And customers are stressed, rushed for time, with shorter fuses, and can come in and unload on you. If the product is out of stock, they will blow up on you. As a society, we used to have some graciousness that now seems to be disappearing. That means we’ve had to take more intentional care of the workforce. We build a fortress around the “keepers” to make sure they stay. We’ve raised pay. It takes it out of the bottom line.

“And today, workers have a sense of entitlement. After being in danger from the virus, they want to work from home, and have the attitude, ‘I want to take care of myself.’ They’ve been isolated on their own and need to learn how to work together as a team. A lot of employees are also taking care of family members and have inconsistent schedules. We had this young kid, 19 and on his own, as a part-time cashier. In his second week, he asked for a whole week off. We said that doesn’t work for us. Then his mom called, saying her son needs to have this time off, ‘He needs to go on this vacation. I’m sure you can survive without him.’

“A lot of people say, ‘I need a job, that’s why I’m here.’ Some still get our industry, and wouldn’t want to be at Office Max. I don’t see it changing any time soon. I think we are back to that classic seasonality. Everyone took summer vacation after not taking them during Covid. So the pattern is, work three months, then in summer, take off. This summer was really tough, while people were making up for lost time off. Now we are seeing more applicants, but they don’t really want to work. A lot have had everything paid for them growing up. Our generation worked from age 16 on. Even after college, they moved back with their parents. So when someone else tries to hold them accountable, it’s like, “Hey, what are you trying to do to me?”

“Thinking about where the business is going, with the increase in online activity, younger people are exposed to social media and podcasts, and are ordering more online. They buy it off the sound bite. Also the younger generation is getting so much more nutrition from the food that’s available today than we did when there were mostly junk food options. Today, they are mission based, plant based. And it’s less about taking all the extra stuff in supplements. They try to get their nutrition from food.”

Southeast Retailer: “We have had such difficulty being fully staffed. We are currently fully staffed, but people calling out sick is still common. Covid is not lasting as long and is not spreading as much. But employees get it from their spouse, for example, so it is a challenge. Our deli is almost back to normal now that we’ve reopened the dining room, and lunch traffic is reaching pre-covid levels. Serving lunch helps with store traffic, and with our cash flow. Prepared foods are not a profit center but do generate daily cash. And it makes people feel excited about the store.

“Customers are constantly telling me they are grateful we are still here, and that I am still running the store. An area professional told me that we are the best business in town: ‘I feel like I’m walking into a spa, no music blaring, no TVs going, people are so friendly.’

“My best hires come from shoppers who like the store and apply for work. A lot of young people, in our university town, like our atmosphere and the work culture. I’m paying more than I was, which is \$11 up from \$9 per hour, but we’re not paying high entry level. I never put up a sign that says we’re hiring. I don’t want to invite the kooks. I’d rather be more subtle.

“If people ask if we’re hiring, we say we’re taking applications. If they’re decent, we hire them. But we’re fully staffed at the moment, so we hang onto their applications. I’ve had some of the best hires in the past year or two, during Covid. A lot of people don’t want to put up with grief in their workplace. It may be Covid, but it may be people just don’t want to dread going to work. Covid made people think, although money is important, they don’t want to be in a job where they don’t enjoy being there.

“One of our dishwashers has been with us 15 years. He had been laid off from a factory job, and we hired him from an employment service. This is not as glamorous as his last job. But he has been the most positive employee. He’s always positive. He just wants to work. He had a strange virus where he was out for two weeks. So, I got trained on doing the dishes. The deli leader knew that I wouldn’t be fast, but I said I’m going to be thorough.

“As soon as I did, other people started coming back into the kitchen and saying, ‘Hey I can take a turn at this.’ When it was their turn to wash, they couldn’t complain, because the boss was also doing the same work. For me, it was, ‘Okay, I am putting my money where my mouth is.’ I learned a lot about being a dishwasher. It is not an easy job, and is relentless. I gained an appreciation for what our dishwasher does every day.

“At other times, I’ve been called in to the store to work the front end when we were short. The team was happy that I know how to run the front end, that I know how to sell, run the register, and that I know what’s going on out there. Before, they didn’t think that; that I was just non-operational. New hires especially have that attitude, so it is good for them to see my example; being an exemplar.

“At an INFRA conference, there were some people who had sold their businesses because it went south. But now, they missed being part of it. I want to still be engaged in life in a meaningful way. Overall, we are about where we were pre-Covid. 2020 looked good until April that year when Covid crashed it. As of mid-year 2022, we are up two percent from last year, and up from 2019.”

Northeast Retailer 1: “Staffing, it’s pretty hard to get new staff. Our stores have had the same core staff the past few years, with good longevity. But any of the cashiers, or front line positions, it is so difficult to round up to have everyone you need. We both work a lot. We hire people we probably would have never hired in the past, in person or on paper, but we’ve got to get someone in here. A large percentage we get in don’t make it very long. They never showed up, or they made it through three days, or a month. We are on the floor all the time, five to seven days a week. It is very different than five years ago.

“One benefit is that we can have much tighter control of purchases, and make immediate decisions about what to bring in, what to discontinue. Especially with out-of-stocks; we can try from a different vendor and don’t have to wait to make decisions. We can immediately pivot to different products. We can run with a smaller crew because we are working so much. Because of this, when the pandemic hit, we were able to stay more stable compared to places that had their manager quit and had to close on certain days. We were able to stabilize the service to our customers and avoid closures due to short staff.

“We think applications have recently increased, but it is not the most desirable group of people. In one of our stores, we are not making a huge effort to get new people, because staff is tired of training and losing low quality people. We are getting a lot of high school kids, but not like we used to get. Today, we’ll get mothers who say, ‘I’d like my son to learn to speak to people.’ We say, ‘Can he handle a mop? Take out the trash?’ We’ve had to lower our standards just to get bodies for basic jobs. Reflecting on our standards compared to five years ago; we would not have taken them then.

“We get older and younger applicants. Our core crew is older than what we have run with in the past. A lot in their forties through sixties on staff compared to a lot more college age, and early twenties in the past. Especially in the summer, we would’ve had more college age applicants that we did not get this summer.

“Attitudes towards work are definitely different. The job is not the priority. The expectation is, ‘I’m going to make a decent wage, but don’t want overtime, and don’t want commitment to the schedule. I have my individual needs, wants, and desires.’ We’re not a big corporation, we are working alongside our crews, day in and out, all shifts, but there is still definitely an attitude of, ‘I don’t want to get screwed over by “The Man.” I say, ‘Yo, that’s me! I’m at the end of a 14-hour shift, and you can’t stay an extra 45 minutes until your relief shows up to your five-hour shift?’

“There’s much more of the person that has a lot of requests for time off and calls out a lot. We get the attitude, ‘You don’t know that I’m living with chronic illness.’ When you address it, it jumps immediately to that. If we respond with, ‘All I’m saying is it would be great if you could be here a bit more regularly.’ They come back, ‘What about mental illness?’ And we say, ‘Your mental illness, or are you just a bit more stressed out?’

“People feel they are supposed to be antagonistic to their job because they read, they see on social media: ‘Beware your job’s trying to screw you.’ I have plenty of core staff that step in and tell them it’s not that way, and don’t know why they act that way. Definitely it’s a different vibe, and not necessarily generational. Even older generations display this attitude. In general, older staff are more like, ‘I don’t know what’s up with these people.’ But not exclusively.

“We get more of the type of conversation that we should be a lot more considerate of people’s mental and physical health. But there’s a difference between a manic depressive and, ‘I didn’t sleep well last night, so I’m not coming in.’ Or, ‘My cat’s been sick,’ or, ‘My grandma is sick, so I’m going to stay home and be sad.’ When you try to manage it you get, ‘Oh, you don’t care about my mental health?’ We say, ‘No, maybe you’d feel better if you came in and worked your three-hour shift.’ They are finding every reason to do this all the time.

“In the larger picture, there’s no consideration or sense of responsibility to the team. And that causes a chain reaction: ‘So and so called out because this was their experience.’ You get a domino effect. We’re covering for all these situations. That’s the missing piece, the sense of responsibility that, ‘We have to get the doors open in order to pay you.’ We have a personal-time-off benefit, but everybody is doing this calling out all the time. We’re not an office, we have to have a certain amount of people to run the business. But the attitude is, ‘Someone else will cover.’ We even see differences in attitude in generations just a few years apart. One 26-year-old on staff knows she’s there to do her job. But another 20-year-old and 22-year-old are like, ‘Well, I have a job, but it doesn’t mean I have to be there all time.’

“Post-Covid, there is a resentment among those employees who stayed on the front lines through the pandemic, who had to face the public and couldn’t work remotely. The folks that were told to stay home, who were locked down, when they tried lamenting to the folks that had stayed on, got, ‘Yeah, I wish I got to go home for three months!’ And speaking of the public, initially customers were thankful we stayed open, but a year-and-a-half in, that good will has faded, and it’s now back to full demand: ‘How dare you, you #?#@#!’—‘Gee, I’m sorry I asked you to keep your mask on.’”

Northeast Retailer 2: Supplier out-of-stocks and delivery inconsistencies are challenging. Staffing is challenging, and everyone is freaked out about inflation. With housing appreciation in our area, and building regulations suppressing new housing, you can't afford anything, so that damps population growth. Today, store location is important, and convenience is king.

"Recently, layoffs elsewhere have improved applicant flow. People are looking for jobs. My sense is, government support is drying up, and people are finally getting a job. We are really proud of our low workforce turnover. People like working here. We've pared back prepared foods because labor is crazy. We reopened our salad bar, and have sandwiches and some prepared foods, but less than before. We are about half made to order, and half grab-and-go."

Mid-Atlantic Retailer: "Finding enough help is a challenge. But I am having fun meeting all the young people, rolling up my sleeves, and getting back into the stores. Consistent help is a real challenge, more in some of our stores than in others. A lot of young people aren't interested in working at all; someone who is willing to do pretty mundane stuff, like stocking shelves and being in a grocery store. Finding those willing to stay even for a year, and think of it as a career, is difficult.

"The recent necessity for me to fill in in the stores made me realize I have an opportunity to do some role modeling for the workforce. We had advertised for a manager for one of our stores and got no applicants. Four of five people were leaving to go to the new store, so a vacuum started to happen. The remaining staff needed support, which led me to step back in and change the mood.

"I really do like working with young people, sharing with them, They really light up. They had gotten dejected and hadn't gotten fed. They had no one to look up to, who could say, 'Hey you're doing a great job.' There was nobody to say thank you. So, what I've done is model the behavior I want to see in the store. What happened was, people began coming up to me and saying things like, 'I've never seen a boss come and work on the floor in my life.'

"In a way, I feel like I am weaving a fabric of our culture the way I envision it should be. I'm communicating to young people in their twenties and early thirties, giving them some perspective, and just working my ass off. This seems to have generated a shift in employee attitudes to, 'Maybe I can take some of the hardship, too.' There's a tremendous amount of work. Our perishables team leader has just taken over the job and worked overtime the last two weeks. As an owner, I did that all the time. But as an employee, you don't expect to work seven days with no one to acknowledge you and say, 'I'm here to help.'

"We've raised our part time wage to \$14 per hour. Full time is over \$15, with a generous benefit package. That has impacted total labor costs. But we were really profitable when we shut down prepared foods during Covid. I wish we hadn't brought some of those things back. You can't make money on cafés. Trader Joe's doesn't have cafés.

"In the bigger labor picture, in the trades like construction, in our local butcher shops for example, we used to have three, and now are down to one. There's no one coming behind the retiring generations."

Epilogue

In the late '60s and early '70s when I was attending UC Berkeley, cars in the San Francisco Bay Area began displaying window signs reading, "Baby on Board!" The implication being you should adjust your driving style to make life safer for the kid in the car next to you.



The coddled and cosseted children in the back seats of those cars in the '70s have now raised the Gen Z young adults who are coming to work in your store. Is there any connection between how their parents were raised and how self-absorbed, fragile and anxious they are? **JJ**