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Gender Discrimination in Illinois Warehouses



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By Warehouse Workers for Justice

March, 2017

Special thanks to Jeff Schuhrke, Alma Castro, the Chicago Foundation for Women and the WWJ leadership and staff.

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INTRODUCTION

“They should give women the equal opportunity like they do the guys. I think we should get praised more because of us being women, but we don’t. They praise the guys more than women.”

Akenia Lyles
Warehouse Worker
Elwood, IL

“ I noticed that they really didn’t want the women driving the forklifts. They really only wanted the guys to do it.”

Thelma Garner
Warehouse Worker
Joliet, IL

It’s no secret that women have long suffered the effects of gender discrimination at work. They face sexual harassment from male coworkers and supervisors. They are expected to perform household, caregiving duties as mothers in addition to going out and earning wages. They run up against the “glass ceiling” when seeking professional advancement. And they are often pushed into low-paying, so-called “pink collar” jobs. Due to workplace discrimination, in recent decades experts have noted that a disproportionate number of poor people are women, a phenomenon called the feminization of poverty.

Gender discrimination is particularly acute in the warehouse industry. Since 2009, Warehouse Workers for Justice (WWJ) has been organizing workers in Will County’s growing warehouse industry to fight against workplace abuses like wage theft, unsafe conditions, discrimination, and retaliation. In previous reports, WWJ found that the majority of Will County’s warehouse workers are temps making poverty wages and that women warehouse workers are targeted for harassment and even workplace violence with frightening regularity.

This report shows that temporary staffing firms discriminate against women by steering them toward the lowest-paid warehouse jobs. WWJ studied the experiences of male and female applicants for warehouse work through temp staffing agencies, finding that while male job applicants are more likely to be directed toward the better paying positions as forklift operators, female applicants were more likely to be directed to low-paying picking and packing jobs.

This practice appears to be driven by market pressure exerted by warehouse operators that contract with temp staffing firms to provide warehouse labor. Whistleblowers from inside the staffing agencies have come forward to admit that men are preferred for some jobs and women for others. Internally, agencies use code words like “heavies” for men and “lights” for women.[i] The practice of channeling employees to lower-paying jobs because of race, gender, or other classes protected by anti-discrimination laws is referred to by experts as “steering.”

KEY FINDINGS

67%

of temp agencies discriminate against female job applicants.

18%

of temp agencies offer jobs to men while telling women there are no openings.

43%

offer men higher paid forklift jobs while offering women lower paid picker/packer jobs

10%

of temp agencies offered forklift positions to women, while 60% offered these jobs to men

■ Working mothers penalized

Women report getting fired for being pregnant or for taking time for childcare responsibilities.

■ Women prevented from climbing job ladder

Women report being denied the opportunity to take forklift training classes.

■ Discrimination costs women and families

Because of discriminatory steering practices, women who would prefer to be forklift operators earn \$9,776 less each year than the men who get these opportunities.

“All the good positions were taken by male leads, and if you weren’t a female that was giving them some type of attention, you didn’t stay on very long.”

Dominique Bouie
Warehouse Worker
Bolingbrook, IL

“They expect them to be at work no matter what, and in the meantime their kids are dying or something.”

Laura Ortiz
Warehouse Worker
Joliet, IL

THE PAY GAP IN WAREHOUSING

“They [warehouse operators] don’t feel like us women can drive. They don’t want females on the forklifts, they want them on the line breaking down those containers.”

Akenia Lyles
Warehouse Worker
Elwood, IL

In the U.S. labor market, the overall earnings ratio of women to men is 79 percent. In other words, women make only 79 cents for every dollar earned by men, on average. One of the biggest factors for this gender pay gap is labor market segmentation, where discriminatory hiring practices relegate women to the lowest paying jobs.

Of non-managerial warehouse workers, forklift operators are the best paid, with median weekly earnings of \$609, according to data from the Bureau of Labor Statistics. Women are so under-represented in this category, however, that no data exists on the earnings of female forklift drivers—a clear example of how labor market segmentation contributes to the gender wage gap. According to the BLS, only 6.4 percent of industrial truck and tractor (forklift) operators are women.

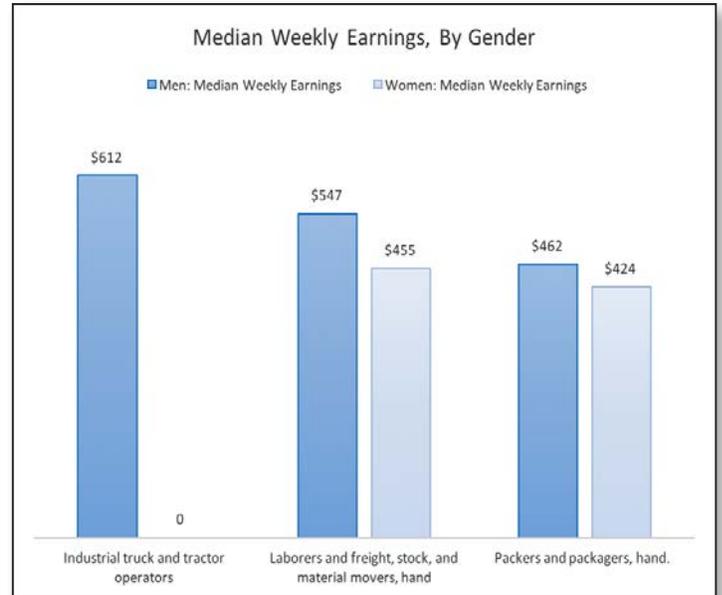
Even when women are qualified for forklift operator jobs, or when they wish to be trained as forklift operators, they are regularly steered toward the lower-paid picking and packing positions. According to BLS data, the median weekly earnings for male forklift operators is \$612, while the median weekly earnings for female packers and packagers is \$424. This is a wage gap of \$188 every week. Because of discriminatory steering practices, women

who would prefer to be forklift operators earn \$9,776 less each year than the men who get these opportunities.

At the same time, female warehouse workers are paid less than their male counterparts even in the same occupations. For example, the median weekly earnings for male packers and packagers is \$462, compared to only \$424 for female packers and packagers. Over the course of 52 weeks, this adds up to a difference of \$2,000. Meanwhile, the median weekly pay for men working as freight, stock, and material movers is \$70 higher than women doing the same job, a difference of nearly \$4,000 over 52 weeks.

Overall, in the Transportation and Material Moving occupations, women’s median weekly earnings are only 72.75 percent of men’s, less than the national earnings ratio of 79 percent.

Among the 50 states and District of Columbia, Illinois is currently ranked 25th in the gender pay gap.^[iii] Despite having a state minimum wage and workers’ protections that go above and beyond federal legislation, the earnings ratio in Illinois is no better than the national average.^[iv] Given the slow rate at which the gender pay gap is closing in the state, Illinois will not achieve pay equality until the year 2065 without decisive action.^[v]



Source: Bureau of Labor Statistics- U.S. Dept. of Labor[ii]

Temp Work Compounds the Wage Gap

The warehouse industry’s reliance on temp workers also contributes to lower pay for women. Women are more likely than men to be employed as temps, making up 53.2 percent of the employment services industry.[vi] A whopping 42 percent of all temp jobs are in transportation and material moving. [vii] WWJ estimates that at least 63 percent of Will County warehouse workers are temps.[viii]

Research indicates that temps are paid as much as 10 percent less than direct hires. Aside from this “wage penalty,” temps are also less likely to receive health and retirement benefits than workers in permanent jobs.[ix]

Further, temp workers have traditionally faced extreme obstacles to joining unions, contributing to

the gender pay gap in warehouses. Female workers in unions earn 30 percent more per week than non-union female workers. Unionized women make 88.7 cents on the dollar compared to men, significantly higher than the national average of women making 79 cents on the dollar.[x]

Up until landmark rulings by the National Labor Relations Board in 2015 and 2016, it was legal for logistics companies to effectively fire temp workers for organizing by severing ties to their staffing firms. Multiple layers of employment, coupled with employer intimidation, make it difficult for temp workers in warehouses to unionize.

METHODOLOGY

55 temporary staffing firms operate in Will County. The overwhelming majority provide workers to warehouse operators in the area (including retailers, manufacturers and third-party logistics firms.) Under Illinois's Day and Temporary Services Act, temporary staffing firms are required to register with the Illinois Department of Labor (IDOL). Each year, IDOL posts a list of these agencies on its website. The 2016 list shows 55 staffing agencies operating in Will County. For this study, WWJ counted agencies with multiple offices in the county as one firm.[xi]

Our sample consisted of 28 individual staffing firms, 50 percent of the total in Will County. At each agency, WWJ interviewed both men and women within ten minutes after they had applied to warehouse jobs. The interviews were conducted between the months of March and June 2016. We interviewed a total of 19 individual job applicants. Nine of these interviewees were men and ten were women. Each of the interview subjects had applied for jobs in-person at the staffing agencies' offices.

In the interviews with each job applicant, we aimed to find out how the agencies treat men and women differently—particularly to find out what kind of warehouse positions applicants were assigned or steered toward—and to see whether there were any differences between the experiences of women and men.

When men were offered jobs and women were not, or when men were offered the better-paying forklift positions while women were only offered lower-paying picking and packing positions, we considered this evidence of gender discrimination.

To more deeply understand the range of issues facing women in the industry, WWJ also conducted in-depth interviews with six women warehouse workers. All six are residents of Will County with more than one year of experience working in the industry through temporary staffing firms. The personal experiences these women shared can be found below in the Voices from the Warehouse section of this report.

Jobs in the Warehouse

Lumper

Loads or unloads items by hand from shipping containers or trailers. Usually the lowest-paying and most physically taxing job in the warehouse. (Also called loader/unloader.)

Packer

Responsible for preparing items for shipment. Depending on the type of distribution center, a packer may pack individual customer orders by hand or build pallets comprised of one or more product types.

Picker

Responsible for pulling inventory from the warehouse to complete an order or shipment. Pickers may use one of various systems to determine the location of the inventory, including a pick-list, voice commands or a hand-held scanner. Picking may be done by hand or by using a hand truck, pallet jack or other device. Pickers may place products on a conveyor belt or in a designated area to be prepared for shipment. (Also called order puller, order picker.)



We asked each interviewee all of the following 13 questions:

What is the name of and location of the agency?

Had you applied there before?

How did they treat you when you walked in?

Did they take paper applications or was it online?

If online: did they provide a computer to complete the applications?

How long did the application process take?

Did they offer you work?

If yes: where and at what pay rate?

What kind of work?

Do they provide transportation to get to the warehouse job?

If no: how would you get there?

Is this job something you're interested in?

Why or why not?

Pallet Jack Operator

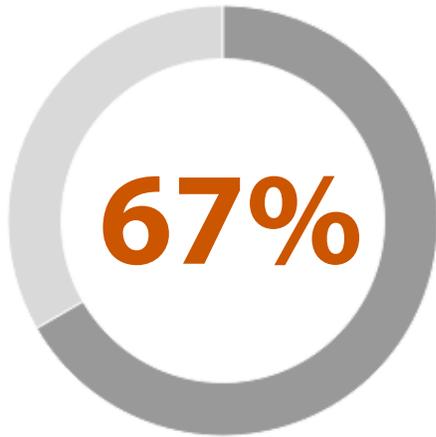
Moves palletized goods around the warehouse using either a manual pallet jack or an electric powered jack (EPJ). An operator may either stand on or walk behind an EPJ depending on the equipment.

Forklift/ Lift Truck Operator

There are many different types of powered lift trucks used in various warehouse applications. Confusingly, different names may be used for a given piece of equipment. OSHA requires that operators of most of these devices be certified by the employer before operation. The Forklift Operator may refer to a driver using a standard counterbalance forklift, or can refer to any of the following more specialized jobs:

- Reach Truck Operator
- Cherry Picker
- Turret Truck Operator
- Side Loader Operator
- Towmotor Operator
- Stacker

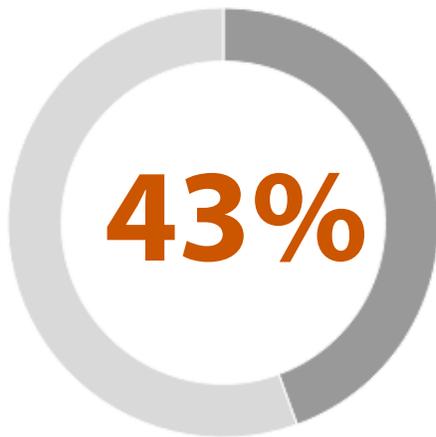
SURVEY RESULTS



Of Staffing Firms Discriminated Against Women

WWJ found that 67 percent of staffing agencies in Will County discriminate against women job seekers. Agencies regularly steer women toward lower-paying jobs in warehouses. Men are more likely to be offered higher-paying jobs as forklift operators, while women job applicants are more likely to be offered positions as packagers or cleaners.

It was further discovered that temporary staffing firms frequently tell women job seekers that there are no open positions in warehouses while simultaneously offering jobs to men. Women reported being pressured to accept general labor positions, even when they mentioned having forklift experience. One woman was told to cut her nails before beginning work.



Steered Women Toward Lower-Paid Pick/Pack Jobs

Of the 28 agencies surveyed, 19 agencies exhibited gender discrimination. At 12 agencies, men were offered forklift-operator positions while women were only offered lower-paid packing and picking jobs. This happened in spite of women job applicants expressing their interest in and/or noting their experience with forklifts.

Women were only offered the higher-paid forklift positions at 3 agencies, compared to 17 agencies that offered forklift jobs to men.



Offered Higher-Paid Forklift Jobs to Women

At 5 agencies, women were not offered jobs at all while men were. Of the remaining 9 staffing agencies surveyed, 4 did not offer work to anybody regardless of gender, and the other 5 offered fair opportunities to both women and men.

AGENCY	Gender Discrimination?	Men Offered Forklift Jobs	Women Offered Forklift Jobs	Women offered Non-Forklift Jobs	No Jobs Offered to Anyone
Adecco					X
Andrews	X	X		X	
ASG	X	X			
Clear Staff	X	X		X	
Coworx	X	X		X	
Elite	X	X		X	
MVP	X	X		X	
Integrity	X				
Nexus Employment	X	X		X	
On Time Staffing					X
Prologistix	X	X		X	
Staff Mark					X
Triune			X		
Work Now	X	X		X	
Randstad		X	X		
Ron's				X	
First Staff					X
Crown	X	X		X	
First Choice	X	X		X	
Multi Temps	X	X			
Barton Staffing	X				
Paramount Staffing	X	X			
Select Remedy	X				
Surge Staffing	X	X		X	
Flexible Staffing	X			X	
Total Staffing				X	
Premier Staffing		X	X		
Accurate Staffing	X	X		X	

“LIGHTS” AND “HEAVIES”



Photo credit: Sally Ryan for ProPublica

Common Code-Words Used By Temp Agencies to Discriminate

Because overt discrimination is unlawful, staffing agencies generally (though not always) use code words to conceal the steering of certain types of employees to certain jobs. Here is a sample of industry code words found in recent legal filings:

Women

Lights
Small hands
Cupcakes
“Like you and me”
Figure skaters
W

Men

Heavies
Big hands
Hockey players

Latinos

Spanish speakers
Bilingual
Code 3
Work all day

African Americans

Number 2s
Code 2
Chocolate cupcakes
No sunscreen

Whites

Blue Eyes
Good ol’ boy
Code 1
Vanilla cupcakes

CONCLUSIONS

- **The majority of Will County staffing firms discriminate against women**

- **On average women lose \$9,776 per year**

- **Millions of dollars lost in state revenue**

- **The temp system fosters a culture of lawlessness**

Our findings suggest that the majority of staffing firms in the largest warehouse hub in the Midwest discriminate against women.

The cost to an individual female warehouse worker is immense. Our findings show that on average a woman in the industry loses on average \$9,776 annually due to discriminatory hiring and placement practices by staffing firms. While the average warehouse wage as a whole is less than a living wage, for women this gap is compounded. \$9,776 per year means having to choose between paying for decent shelter, sufficient food, adequate healthcare and reliable transportation.

The cost to our region as a whole is staggering. Researchers have detailed the difficulty in establishing reliable numbers of temp workers in the warehouse industry [xii], but using data from the Bureau of Labor Statistics, workforce development agencies, internal surveys and logistics and real estate industry sources, WWJ estimates there are approximately 25,000 women working in the warehouse industry in the Chicago region. Lower wages for these workers means losing millions of dollars in sales and payroll tax revenue, and an additional burden on already-underfunded social services. The social cost of discrimination is compounded in working class communities such as Joliet, IL, where very high proportions of residents work in the industry.

This pattern of systemic gender discrimination is inextricably linked to the industry's reliance on staffing firms. The entire temp system appears to foster an environment that rewards firms that offer particular workers to warehouse operators "on demand."

The fierce competition among dozens of staffing firms to provide labor at the lowest cost means that even well meaning temp agencies are forced by market pressure to accede to discriminatory demands from their customers.

Ultimately the large retailers and manufacturers whose supply chains include area warehouses benefit from the lower wages, on-demand labor and limited liability inherent to the temp system.

VOICES FROM THE WAREHOUSE

Although the survey results above reveal much about the level of gender discrimination in the warehouse industry, in order to get a more complete picture, WWJ conducted in-depth interviews with six women warehouse workers. Each worker has directly experienced and/or witnessed discrimination in the industry. In the profiles below, these workers describe the problem in their own words.



Akenia Lyles
Warehouse Worker
Elwood, IL

We Lose Our Jobs If We Have Daycare Issues

A lot of guys don't think women can do warehouse jobs. For instance, I'm a forklift driver. They don't think ladies are capable of doing a job like that. That job is designed for guys in their opinion. But it's not, because if it was, I wouldn't have my license.

I know I can drive. I've been certified, I've been doing it for a while, and it's something I prefer to do than standing on the line and picking up boxes and stuff like that. And it pays more than just regular line work.

It makes me feel some type of way when they give a man a position over me when we both could do the same job. You haven't even seen how I drive yet but you're just going off the idea that a lot of women can't drive as good as guys. I think we drive better. *(laughing)*

If you're working 6 days a week, 12 hour shift, it gets hard. Especially me, I have kids. We women got to stop what we doing to take care of our kids, and men, they don't have to do that. We lose our jobs because we have daycare issues. I just had an incident like that. I was supposed to be on second shift, from 3 to 11, at Whirlpool. It was hard for me to get my son from school, so I talked to HR and asked them if they could help me out with my situation... They told me that if they do it for me, they have to do it for everybody. That's a situation to where I'm being forced to choose my job over my kids. What would you pick? Those are my kids. I pick my babies.

I think they don't really care about what you got going on at home. They just need to be a little bit more understanding.



Thelma Garner
Warehouse Worker
Elwood, IL

They Didn't Want A Bunch of Women on Forklifts

When I started at Amazon, I just wanted to get my foot in the door. I was doing maintenance/housekeeping. I cleaned the bathrooms, the dining rooms, the lunchrooms. They had about nine cafeterias. For that whole big warehouse, that's a lot of work. My hours were 6pm to 6am. It was a lot of work. I remember getting off in the mornings and sitting in the parking lot feeling like I didn't want to come back. But due to my bills and what my needs were, that was the reason I kept going. I didn't mind doing it, but I felt like I could do better.

So one day I saw the job options posted on their board. I noticed that they were having classes for [driving] the forklift. I asked the instructor if could I be enrolled in the class, so I could learn how to drive forklift. He told me to come back another day, and I did. But he ignored me, he kept telling me 'this day, that day.' It never happened... The guy did tell me he just needed a few women, he didn't want a whole bunch of women, he just needed a few.

You know, we get it into ourselves to that we need a job, so we kind of accept it. A lot of us were scared to step up, 'cause we have bills. We have kids to take care of.

One of my managers was really mean, he was rude. He took my hours from me, he took my days that they gave me... It's like he tried to put a lot on me.

[Thelma says one day her manager inappropriately put his hands on her. After she complained to human resources at her staffing agency, she started to have problems with her pay. On several occasions her pay card was short up to \$100 and she had to make several calls to the company before the wages were corrected.]

He was harassing me to the point that I left... I was like, 'You know what? I'm done.' I was just fed up to my neck... I felt like I was being used.

[She was told by her staffing agency they no longer needed her services. She continued to call asking for work until the dispatcher verified that she was on a "do not hire" list.]

VOICES FROM THE WAREHOUSE



Dominique Bouie
Warehouse Worker
Bolingbrook, IL

There Were No Female Forklift Drivers

I faced a lot of discrimination while working at the IFCO warehouse in Bolingbrook. They really didn't care about women too much. Everything was male-dominated. I was there through Flexible Staffing. They don't have a skill test to see where you're best positioned, they just look at you and they decide.

I told them I didn't want to do any "girly" work, you know, I wanted something where I can get a little muscle tone. So I started throwing crates into the machine to be cleaned... They said that's a man's position. When I started throwing the crates, a guy came over there and he was upset and was like 'I missed one day and you put a girl in my position?!' He got upset and then they moved me to where they put most of the girls: scraping stickers off all night. And I didn't want to do that.

[Dominique says she continued to be moved around to different positions in the warehouse, but still got paid the same.]

It got to the point that I was complaining, and they wanted me to push a broom all night.

There were no female forklift drivers. There were no female leads. They're all males. It's male dominated. To have a new lead, it's decided amongst leads. So all the men have to basically agree on one person, and they're not picking a girl, they're picking their friends.

It's irritating. I'm a good worker and I'm just being judged because I don't fit with what their criteria is, not what it really means to do the job.



Laura Ortiz
Warehouse Worker
Bolingbrook, IL

Points Are Used To Scare Women

The machine operators at IFCO are all men. The only woman was a girl that got demoted when they shut down her machine. She is a single mom, so when her son gets sick she can't go to work. The male operators, if their kids are sick they have the mom there that can take care of them.

I've never heard a man say, "I didn't come to work because my kid is sick"... I don't have kids, but most people at IFCO have families. I see it in my own family, if the kids are sick, my sister-in-law stays home from work while my brother goes, unless it's bad and the kids are in the hospital or something. But if they have a flu or they just feel bad, only moms have to stay home, not the dad.

[Laura says employees at IFCO lose "points" for missing work to take care of a sick loved one.]

The other day, the manager told one of the ladies, "You need to check your points, because it's only 10 points and then you're fired"... Those points are just used to scare people.

And she answered, "What do you want us to do? We have kids, and if they have a doctor's appointment during work hours, we still have to take them. Yes, I need my job and I'm responsible, but if my son gets sick you ask that I give you 2 weeks' notice, not just a day."

There is a girl that has a son. She comes in sometimes and the guy tells her off. And she says, "I won't leave my kid sick at home to come work here. My son needs me. I won't leave him to come work for you." She got in trouble for not going in that day. But she insisted, "No, I won't leave my son." And she's right. Her family should come first.

VOICES FROM THE WAREHOUSE



Mayra Macias
Warehouse Worker
Joliet, IL

The Work Environment Is Very Hostile

We got there the first day like guinea pigs, and they put us [packing] on the line. They were making fun of us on the sides and just watching. Everyone watching us and watching how we packed. And the line leader came over and told us in a loud voice in front of everyone, “You’re no good. I don’t need you here.”... A lot of girls left there really angry.

What’s worse is [building] the boxes. Why? Because it’s the heaviest work. It’s the hardest because it’s very strong cardboard. And they use a clock. They all have a timer around their neck and they’re timing you. You have to make five boxes a minute. And it’s just too much and your whole body hurts.

The work environment is very hostile. And at first I thought it was just me but I started watching all the other people when they were walking by. I would sit in a corner and just observe people and then I started to talk to them. I ask them “Do you like the work?” And they say “No.” “Well, why do you come then?” I ask. “Because I need to. I have a family.”

You take the risk that these jobs are temporary and you know that when the production goes down you will be sent home.... But you know that as easily as the job ends and it can also start again from one day to the next.

They exploit you because if the work goes down, they only keep the line leaders friends. Just them. If you’re friends with the girl from the temp agency, then you know what? You get to stay.

There the majority of the workers are ladies; because men see it as too much work for the pay. They’ve told me “It’s too little money for too much work”... Many men tell me, in a low voice, “I’d never bring my wife here. I wouldn’t recommend this job to anyone.” I see the older ladies—what strength! They have them doing some ugly work. Imagine, the stressful atmosphere, the people at the top shouting that they don’t want them, and so on.



Markisha Walker
Warehouse Worker
Joliet, IL

When I Started Showing, They Let Me Go

I was working at Frito Lay through Metro Staffing. They don't train you. You walk in and they expect you to know what to do. I was either making boxes or putting all the chips inside of the boxes as they were going down the line. And cleaning up. Sometimes they had you in front, but most times it was in the back building boxes. It was hot, especially in the back where all the machines were going.

I got pregnant. When I started showing, they let me go. They told me I could get hurt and gave me a DNR (*Do Not Return.*)

It seemed like they always sent the Black guys or the Black women home under 'Do Not Returns.' Sometimes they'll come and be gone the same day.

It was hard to find another job after that. Metro Staffing has other factory jobs, but they were out of Joliet. They never called me back or nothing.

I felt like I have to depend on everybody else to help raise my baby.

VOICES FROM THE WAREHOUSE



Bernadette Quasie
Warehouse Worker
Joliet, IL

I Never Saw a Female Forklift Driver

I worked for Versant at an electronics warehouse in Joliet, IL. I was making \$9/hr as a verifier, scanning barcodes on different boxes. Almost all of the women were verifiers. Forklift drivers make more – over \$10/hr. But in all my years there I never saw a female forklift driver.

I informed a Versant manager that I had my forklift certification and that I would like to apply for a forklift job. His response was “You know you’re probably in the best position as a verifier”.

I have a college degree and have worked in many warehouses. I believe I’m more than qualified to move into a better job in the industry, but as a woman it always seems like there’s a glass ceiling.



RECOMMENDATIONS

Our findings that the majority of staffing firms in the largest warehouse hub in the Midwest routinely discriminate against women make clear the need for fundamental change. The logistics industry cannot reach its potential to drive the growth of thousands of stable, living wage jobs unless policymakers and employers take action to address the impact of the boom in temp agency employment on women.

The root of the problem lies in the warehouse industry's reliance on a largely unregulated system of contractors and staffing firms to provide labor. This allows lead firms - the large retailers and manufacturers whose products move through these facilities - to benefit from low-cost flexible labor while outsourcing the traditional liability expected of an employer.

US labor law was largely created to address traditional employer/employee relationships and has proven unable to address the types of "fissured" employment relationships that have exploded in the labor market in recent years. For example, temp agencies are largely exempted from demographic reporting requirements mandated by the Equal Employment Opportunities Commission (EEOC.) This "temp loophole" means that while almost all private sector employers must report the race and gender of their employees in order to guard against discrimination, staffing firms aren't required to do so.

Another policy gap is the weakness of "complaint-based" enforcement. For example, if one woman is told by a staffing firm that no work is available, she may not know that men have been offered work at the

same agency, and therefore may be unaware that she has suffered illegal discrimination. Another problem with a complaint-driven enforcement scheme is that individual workers are often subject to retaliation when reporting legal violations.

Where we see high levels of discrimination, we also see other effects of the temp system on job quality. The same workplaces and employers that discriminate are often those that steal workers' wages and expose workers to unsafe working conditions. This reality calls for wholesale reform of the temp system and policies that support the creation of direct-hire jobs and supply chain accountability up the chain.

FOR EMPLOYERS

- Provide career ladder for women in warehouses
- Institute forklift training and placement programs
- Strengthen auditing and monitoring systems of contractors
- Include equal opportunity in temp contracts
- Implement voluntary chain agreements that include outside enforcement and monitoring

FOR POLICY MAKERS

- Close the “temp loophole” by requiring staffing firms to report demographic information on all job applicants and employees placed with client firms.
- Enact stronger anti-retaliation provisions in all labor laws, including anti-discrimination statutes. Specifically implement policies that shift burden of proof to employers when workers are terminated or disciplined after reporting violations.
- Institute higher employer and client-firm penalties for violation of labor laws.
- Support policies that link liability for labor law enforcement up the supply chain.
- Support policies that create living-wage, direct-hire jobs, including:
 - Mandating pay equity between temps and direct-hires who do the same work
 - Limiting duration and number of temps used by warehouse operators
 - Requiring that staffing firms report number of employees placed into permanent jobs
- Expand anti-discrimination coverage to undocumented workers
- Enact policies that promote collective bargaining
- Enact workforce development strategies that promote job training and placement of women in higher paying warehouse positions (such as forklift operators)

FOR WORKERS

- Know your rights
- Assert your right to collective bargaining
- Get involved with worker rights organizations like worker centers and unions.

APPENDIX A

The Warehouse Employment Structure

The nature of the employment relationship has shifted in a profound way. By some estimates one-third of US workers are no longer employed by their “real” boss.

Instead, layers of subcontractors stand between workers and the firms that ultimately control the most important aspects of work life – scheduling, income, workplace safety, job security, freedom from discrimination and freedom of association. As David Weil, head of the US Department of Labor’s Wage and Hour Division shows in his recent work *The Fissured Workplace*, this shift has resulted in increased theft of wages, rising numbers of workplace accidents and widening income inequality.

This employment structure is increasingly becoming the norm in sectors from manufacturing to hospitality to food service. But nowhere is this shift more profound than in the warehouses that form the backbone of our nation’s vast retail distribution networks.

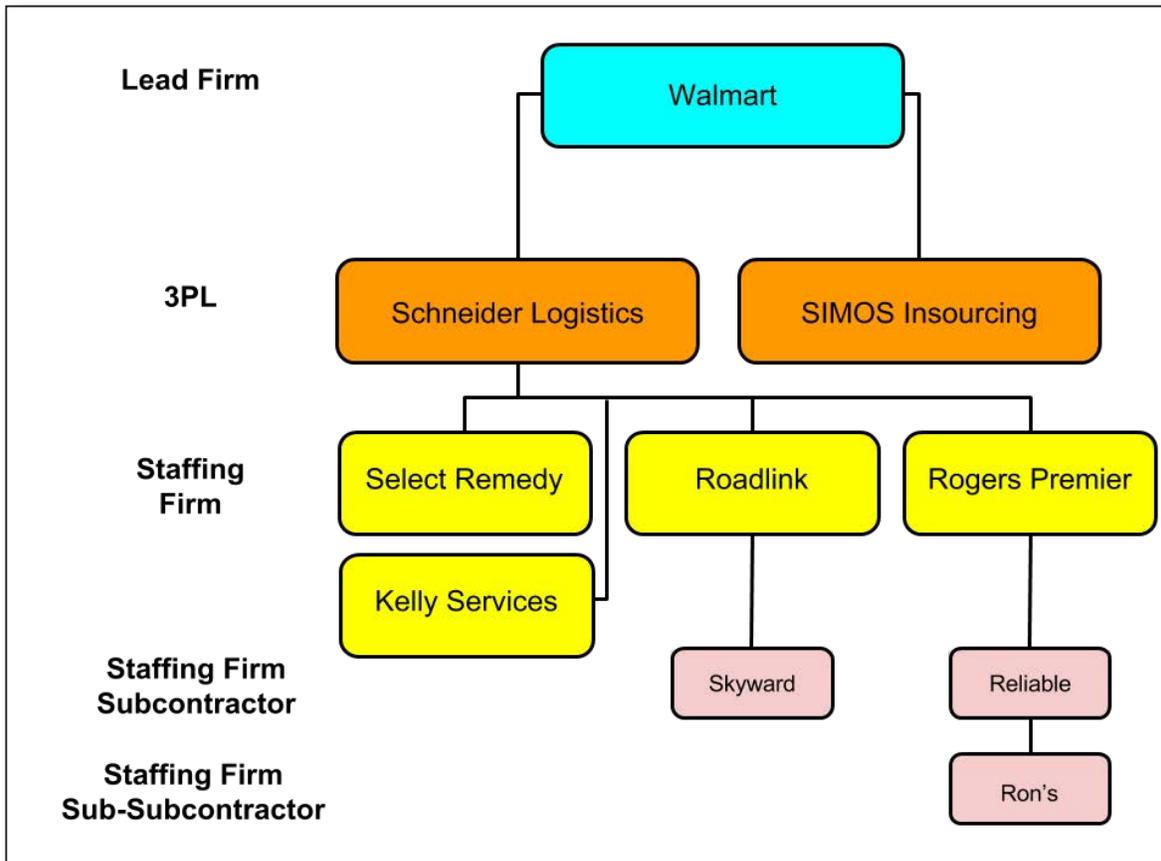
Although workers moving products for large retailers comprise the core of these firms’ downstream supply chains (Walmart, for example, is often termed by its investors not as a retailer but “a supply chain company that happens to have retail stores”) the workers in these facilities are often employed by a myriad of contractors and subcontractors,

each competing to provide flexible labor at the cheapest cost. Most work either for third-party logistics firms (firms to which retailers and manufacturers outsource management of some or all of their supply chains) or temporary staffing firms.

Retailers award contracts on a regular basis to third-party logistics firms (3PLs) using an RFP process, typically awarding contracts to firms offering services at the lowest cost. These firms may in turn contract with one or more temporary staffing agencies to provide labor for particular job functions or areas of the facility. These agencies may themselves contract with other temporary staffing agencies or provide additional labor either on a short or long-term basis.

As a result, employees working in one warehouse as part of an integrated operation may work for one of several employers. For example, until recently workers at Walmart’s Import Distribution Center in Elwood, IL were split between ten different employers.

Example: The Walmart Import Distribution Center in Elwood, IL



SOURCES

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