

## GOOD JOBS IN WISCONSIN RAPIDS: A CASE STUDY

### Mariani Packing Company

#### Background

Mariani Packing Company is a family business with storied history. Started as a farm in Santa Clara, California in 1906, it later developed into a leading producer and distributor of dried fruit. Over four generations, it has stayed in the hands of the Mariani family, demonstrating steady growth in decade after decade. The company's success has been due to a mixture of product quality, attentive management, and innovation: Mariani was the first company to sell rehydrated dried fruit in clear packaging, the first US company to introduce a full line of tropical dried fruit, and the first company in northern California to install a 1.1 megawatt solar array.

In 2011, Mariani purchased Urban Processing's cranberry plant in Wisconsin Rapids. This move was aimed at increasing their market share and improving operational efficiencies: Wisconsin is home to over 60% of US cranberry production, which in turn is the largest producer of cranberries in the world. After making some capital investments, the plant would make Mariani the nation's second-largest producer of sweetened dried cranberries (SDC), an increasingly popular product across the world.

For the community of Wisconsin Rapids, Mariani's arrival was met with a mixture of hope and anxiety. Since 1894, Rapids had been the smallest city in the US to host the headquarters of a Fortune 500 company, Consolidated Papers Inc. (CPI), which at its peak had over \$1.8 billion in revenue and 7,000 workers. However, in the 1990s the paper industry faced a steep decline in earnings due to rising wood pulp costs and foreign competition. CPI was no exception and went through several rounds of acquisitions starting in 2000. Between the paper industry's decline and the Great Recession, by 2010 Wisconsin Rapids had lost 35% of its manufacturing jobs.

Mariani quickly established its presence in Rapids, and prioritized continuity in the acquisition of Urban Processing. Steve Berlyn, who had been the CFO at Urban, became the general

manager of Mariani's plant, and Jeff Pozorski transition to become the Local Director of Human Resources. Within a few years, the plant employed more than a hundred people. Then in early 2017, it came time to make some big decisions.



## Core Values

### *Mutual Respect*

We listen with an open mind. We trust and value every community member. We solicit input, ideas and feedback. We reward and recognize our community members for their performance and contributions. We provide opportunities for growth and development. We understand, appreciate and embrace cultural differences. We communicate clearly, openly and effectively as often as possible.

### *We Embrace Change*

We have a willingness and desire to grow and to make ourselves and our company better. We have an open mind. We are flexible and adapt quickly to new ways of doing things. We have a positive attitude and offer solutions. We approach challenges with fearlessness and drive.

### *Continuous Improvement*

Status quo is never an option. We are constantly looking for ways to do things more efficiently and effectively with regard to our products, services and processes. We actively search for ways to do things better. We cross train our community members to work in a variety of positions. We conduct surveys to obtain feedback from our customers, vendors and community members. Delivery (customer valued) processes are constantly evaluated and improved in the light of their efficiency, effectiveness and flexibility.

### *Never Compromise on Quality*

We never compromise on quality in fulfilling our mission of delivering the very best. We will always make the best decisions to produce the highest quality products. We have a solid understanding of the fastest and highest quality modes of moving product from the farm to the customer. We work hard to build personal relationships with quality growers.

### *Build for the Future*

We have a clearly defined vision and strategy that is communicated throughout the organization. We actively seek opportunities that yield significant growth. We train, grow and develop our community members. We empower our community members to think and act strategically. We look for ways to do things better tomorrow than we do today. We encourage and solicit new ideas.

**Mariani**<sup>®</sup>  
Premium Dried Fruit

## The Expansion

The market for sweetened dried cranberries and concentrate continued to grow, and after chugging along for several years at high capacity, it became clear to Mariani's management and ownership that the plant was ready for an expansion. They determined to remain at the same location, expanding the plant by 75,000 square feet, while investing in new machinery and automation. The administrative offices, which had been in a separate building, were to become part of the larger facility.

The real challenge, Berlyn and Pozorski mused, was going to be human capital. At that time, Mariani had a total of 115 employees, about 80% of whom were production or packaging workers. Even with the new automation, they were looking at increasing the workforce by almost 30%. Filling all the new jobs was going to be a challenge.

In recent years, the labor market in central Wisconsin has been extremely tight. This has been driven by a growing economy, the decline of the paper industry, and the "Silver Tsunami" effect of the aging Baby Boomers. The population around Rapids has fallen significantly in the past decade. Because of these conditions, there is intense competition for a limited pool of skilled workers, and many companies, including Mariani, rely on staffing agencies for recruitment. Knowing that there is great demand, the workers who search through these agencies often jump from one job to the next. There are also a substantial number of people who seek jobs but struggle with workforce readiness, leading to high churn in the temp pools.

An even deeper concern for Mariani's leadership, however, was that even if the company could successfully fill all the entry-level jobs, that more technical or middle management jobs would go unfilled. Historically, Mariani had occasional trouble getting enough internal applications for midlevel opportunities – which, given the broader challenges attracting talent to the region, could lead to vacancies or churn in harder-to-fill jobs as well. This was despite that per company policy, all openings were posted internally first. "We know people want to work here," said Pozorski. "But it seems they're sometimes so comfortable in their jobs that they don't want to move up to the next level."

## How Mariani Works: Workforce and Operations

To understand the workforce challenges Mariani faced, and how the company has adapted to them, it is helpful to know a little about the factory's operations. Mariani's Wisconsin plant is what is known as a *continuous flow* manufacturing facility. What this means is that the factory is running 24 hours a day, seven days a week, shutting down only once per month for a deep cleaning. At all other times, machines are running, people are working, and fruit is coming in one door and being shipped out another, transformed.

Because of this, Mariani factory employees follow a unique schedule. Each shift, night and day, is 12 hours long. Due to the 12-hour shifts, a full-time schedule at Mariani means three shifts one week, four shifts the next. Unless they want overtime, production and packaging workers get the rest of the week off.

While the work can be physical, the company takes numerous precautions to ensure it is also ergonomic and safe. The factory climate is carefully controlled to ensure both the quality of the fruit and employee comfort. The company performs decibel tests to protect workers' hearing every year. Employees must complete a 10-day orientation encompassing critical safety and food quality standards before they can even begin to work on the floor.

People with little experience of manufacturing often think of it as *only* physical work. This is wrong. Working at Mariani, like other advanced manufacturers, involves frequent problem-solving and even creativity. Critical thinking skills, and some programming skills, are increasingly important in most departments. The company's Continuous Improvement Plan (CIP) offers financial rewards to employees whose good ideas can reduce waste or increase productivity.

All that said, a twelve-hour shift involving fast-paced, sometimes physical work is not for everyone. Furthermore, almost all Mariani employees begin as temporary workers, recruited through the agency, and must complete 480 hours on the factory floor before they can qualify for permanent employee status. Most also start working the second (nighttime) shift but can transition to the day shift once they complete their trial period. Second shift workers receive a

modest wage premium (referred to as a “night differential”), but understandably tend to see higher turnover nonetheless.

For these reasons, the turnover rate during the first six months (most years, 40-50 percent) is more than twice as high as it is for more established employees (closer to 20%). While this figure seems high, it compares quite favorably to other companies in the region. Of those using the same staffing firm, Mariani’s retention is about 10-15% better every year.

### **Benefits and Beyond**

In a regional economy with such a tight labor market, how does Mariani outperform the competition in retaining workers? For starters, Mariani has a policy that *\*all\** employees who complete their trial periods move to a full-time, permanent employee basis. This in turn means that all Mariani’s permanent employees have benefits – and the company’s benefits package is generous. Notably, it includes health insurance with 100% of deductible paid by the employer, paid holidays, paid vacation, a 401k match, and more.

Mariani’s CIP has also been a significant benefit for both employees and the company. Ideas contributed through it have saved the company over \$1.8 million across 100+ projects, and many employees have received bonuses from it, sometimes over a thousand dollars. Over 35 employees have contributed through it, including people from every department, frontline workers and managers.

But perhaps the most valued benefit among Mariani’s employees is the schedule itself. In one interview after another, Mariani employees expressed their appreciation of this benefit, which allows people to spend quality time with family and friends while still making a meaningful contribution to a high-performing company. As one administrative employee put it: “Work-life balance is part of our culture here at Mariani. Everyone here works very hard – you can’t *not* work hard here – but we’re also a company that knows family comes first. So we make it easy to trade shifts and do other things to accommodate people’s schedules.”

### **Focusing on the Internal Career Ladder**

In February 2017, as it began to build out its facility, Mariani also started to work with Incourage on an analysis of its workforce practices. The agreement was simple: Incourage would study Mariani's workplace practices and policies and provide recommendations to help improve recruitment and retention. To this end, Incourage retained a consultant who came and observed Mariani's operations and interviewed over two dozen employees about their working experiences. Incourage also arranged for Mariani to use a business analysis and benchmarking tool, Biztiks, provided by the Jarrett Wagner group.

Several observations came out of the interviews and Biztiks analysis; two of these were most important. First, the Biztiks report noted that Mariani's ratio of employees per shift supervisor was quite high for the industry. Second, the employee interviews surfaced the fact that plenty of workers *were* interested in advancing their careers at Mariani. But employees were often unaware of how company growth could affect their options. Instead they assumed someone else had to leave for them to advance. As one employee put it: "The only way for me to move up in this company would be for my supervisor to leave. And I really like my supervisor!"

### **A New, Key Role: The Department Trainer**

Looking at this issue, Berlyn, Pozorski and the rest of Mariani's leadership decided to focus on making Mariani's internal career ladder clearer and more accessible. They knew that with the expansion, there would be many new roles to fill, and given the challenges with Wisconsin Rapids' labor market, the best source of talent to draw upon would be the people already working in the plant. This would mean proactively changing the incentives in order to create more visible advancement opportunities for workers. They started on the first of these steps even as construction on the expanded facility began.

This first step was the introduction of a new mid-level role in Mariani's production and packaging lines: the department trainer. This position came with a modest raise, as well as increased responsibility for managing productivity and onboarding new employees.

Department trainers remained a step below the lead.

When the trainer position was announced, there was still some initial uncertainty among management about whether there would be enough internal applicants. As it turned out, though, they needn't have worried: interest in the trainer position was high, and as Mariani added jobs and ramped up production in the expanded facility, they were able to fill most of the trainer slots easily, largely from internal candidates. The company did adopt a coaching model to accomplish this – line leads were given the task of identifying prospective trainers on their team and encouraging them to apply for the opening.

The company allowed the department trainer role to evolve over time – and with it, the way the company brought on new employees. As the trainers took on more of a direct role coaching new employees, Mariani's management in turn made some adjustments to their onboarding process. There was no getting around the need for intensive classroom learning for the first week of orientation – food safety standards require it – but the company decided that new employees would all spend their second week of orientation under the tutelage of a trainer, on a production or packaging line. This made the trainer role more meaningful, while also providing new employees with an immediate mentor.

### **Career Progression at Mariani Takes Off**

Once most of the Department Trainer slots had been filled, Mariani's leadership monitored it for a while to see how it would work out. As it turned out, quite a few of the people who advanced into that role showed leadership promise in other ways as well. Over about 18 months, 10 Department Trainers ended up being promoted to Department Leads or other advanced positions. Mariani had successfully accelerated its internal career ladder.

The company's leadership didn't stop there. Given the competitive labor market dynamics and the strong economy, they decided to compete more assertively for entry-level talent. In the fall of 2018, Mariani instituted a substantial entry-level wage increase, as well as expanding the night differential for second shift employees.

Mariani management also decided to recognize production and packaging operators with a skill-based incentive system. Each operator position now has three levels after the entry level. Advancement through these levels is based on objective criteria, including productivity, mastery of different machines/processes, and paperwork accuracy. Advancement still must be approved through a managerial assessment. Operators who advance to each of these three levels qualify for raises.

### **Culture Shift: Growing Mariani's Company Culture**

The success of the Department Trainer role allowed Mariani to make other adjustments to their overall training infrastructure. They hired a dedicated training manager (a role that had previously been assigned to the safety manager, who was now able to focus full-time on that job). They also gave the quality assurance team a more direct role in orientation. In order to add some variety and fun to the classroom-intensive first week of orientation, the company also started adding "guest" lecturers such as Andy Reitz, Mariani's Director of Grower Relations, who is deeply knowledgeable about cranberry biology and has a knack for conveying excitement about the science behind Mariani's operations.

The new full-time training manager, Melanie Vollert, took on several projects aimed at supporting further employee development. Part of her job became figuring out a strategy for skill and role development among all employees at the factory. She kicked this off with a series of interviews with workers focused on their career aspirations. Vollert used the findings from these interviews to begin development of a learning library at Mariani, as a resource for employees interested in developing new skills.

These efforts had to be built around Mariani's shift schedule, which impacts almost every aspect of work at the factory. In beginning to work with Incourage, one challenge Mariani identified is that the shift system limits communication between groups of employees even more than other 24-hour manufacturing facilities might experience. Communication between shifts mainly occurs during a brief meeting between supervisors at the beginning/end of every



shift. The supervisors then communicate to their teams, again in a short 15-minute meeting, what they need to know that day.

A further implication of the shift system is that because employees have long shifts but a shorter workweek, Mariani identified a gap in getting employees to engage with the overall company culture. Simply put, outside of the break room the production floor is not conducive to talking. The division between first and second shifts, plus their length, make it further difficult to communicate or develop relationships with many people outside of one's own workgroup.

So Mariani also went to work on changing that culture. Late in 2017, HR specialist Carrie Ruffner took on the task of building a more cohesive culture at the company. Within the constraints of the shift system, Ruffner began developing activities and incentives that would help bring people together outside of work. These included company cookouts, coloring contests for employees' kids, volunteering days, and raffle prizes for meeting monthly attendance goals.

She also started organizing occasional trips to sporting events, including Rafters [Wisconsin Rapids' collegiate baseball team] and Milwaukee Brewers games. Unsurprisingly, these turned out to be very popular – and aided efforts in creating a more cohesive workplace.

"I like how they're doing group activities outside of work, like the Rafters night thing that we're having this week, and the cranberry parade," said one employee. "That's been a change from the past, when most people didn't really hang out much outside of the factory. That stuff brings us together better as a group, getting to know each other outside of work."

## **Conclusion**

Now nearly a year into its expanded facility, Mariani is thriving. The plant's production has improved significantly, but the expansion leaves room to grow further still. Even as the company has become more automated and technologically savvy, it has grown its workforce. Mariani recently reached its original expansion goal of 150 employees, and overall retention

has improved by 5% over the past year. And while it is too soon to say whether the career ladder and other changes to internal advancement will continue these positive trends, the early indicators – such as the number of trainers who have since advanced into lead positions – are very promising.

At the same time, the systemic workforce challenges in the region have not changed, despite the strengthening economy. Some positions, especially those requiring the highest levels of technical skill, remain challenging to fill or keep filled. There's no lack of demand for the company's products, but the local labor market continues to be a challenge to Mariani's growth.

But given this challenge, Mariani's achievements remain impressive. The company has consistently grown in a thoughtful, intentional manner, and has worked hard to live up to its Core Values statement. As a result, it has become an indispensable part of the fabric of the community it resides in.

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February 2019