

STABILIZING THE MODERN WAREHOUSE WORKFORCE: THE VALUE OF ON-SITE MANAGED HOURLY STAFFING



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STABILIZING THE MODERN WAREHOUSE WORKFORCE:

Across the U.S. supply chain, workforce stability has become one of the defining operational challenges of the decade. With more than 370,000 warehouse jobs currently unfilled and turnover rates skyrocketing, many logistics operations struggle to maintain consistent staffing levels while meeting rising demand.

Compounding the challenge, facilities must remain flexible enough to scale their workforce quickly as volume fluctuates. This combination of labor scarcity and demand volatility is pushing many organizations to rethink how their workforce is structured and managed.

An on-site managed hourly staffing model offers a different approach.

By embedding experienced supervisors directly within the operation, organizations gain a workforce partner that not only supplies labor but also manages performance, engagement, and safety in real time. The result is a more dependable labor pipeline, improved workforce continuity, and flexibility to scale with operational demand.

This paper explores how Eclipse Advantage's on-site managed hourly staffing model helps companies stabilize their workforce while maintaining the agility required in today's supply chain environment.



KEY TAKEAWAYS

- Warehouse labor shortages continue to challenge operations, with 370,000+ jobs currently unfilled in the U.S.
- Turnover rates exceeding 40–45% annually create ongoing recruiting, training, and productivity challenges.
- Many operations rely on temporary staffing for flexibility but still struggle with workforce oversight and consistency.
- On-site managed hourly staffing provides a model that combines labor flexibility with embedded workforce leadership.



THE WORKFORCE CHALLENGE FACING MODERN OPERATIONS



Warehousing and manufacturing operations today face a labor environment defined by uncertainty.

Demand patterns shift quickly. E-commerce surges can appear overnight. Seasonal spikes may double staffing needs within weeks. Employers across the supply chain sector continue to compete for a limited pool of workers.

Industry data highlights the scale of the challenge. Research shows **57%** of supply chain professionals say hiring and retaining qualified workers is their greatest workforce challenge.

These shortages create ripple effects across operations.

ACCORDING TO INDUSTRY SURVEYS:

- **76%** of supply chain organizations report being affected by labor shortages
- **60%** of warehouse managers cite labor availability as their top operational concern
- **41%** report difficulty attracting and retaining workers

TURNOVER: THE OPERATIONAL DISRUPTOR

Labor shortages are only one side of the workforce equation. High turnover rates create an additional layer of instability for warehouse operations.

Across the industry, warehouse turnover rates remain significantly higher than the national average for most other sectors. Studies show that warehouse turnover frequently exceeds 40–45% annually, with some operations experiencing rates closer to **50% per year**.

When experienced associates leave, facilities must continuously recruit, hire, and train new workers, often while trying to maintain production targets. New employees typically require weeks to reach full productivity, which can lead to slower throughput, increased errors, and added pressure on experienced team members.

Turnover also creates financial strain. Research suggests replacing a warehouse employee can cost roughly **25%** of that worker's annual salary, once recruiting, onboarding, and productivity losses are considered. Other estimates place the cost of replacing a single warehouse employee at nearly **\$18,600** per departure.

For operations managing hundreds, or thousands, of hourly workers, this can quickly become one of the most expensive operational challenges.



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WORKFORCE VOLATILITY IS DRIVING NEW LABOR STRATEGIES

If you've managed a warehouse, then you know operational demand continues to fluctuate.

Seasonal peaks and shifting consumer behavior mean that many facilities must regularly adjust staffing levels. As a result, 55% of warehouse operations now rely on temporary staffing agencies to fill short-term labor gaps.

While temporary staffing provides necessary flexibility, it can also introduce challenges when workforce oversight remains outside the facility.

Operations teams may find themselves responsible for managing daily workforce issues such as attendance tracking, training consistency, and communication with staffing providers. Over time, these responsibilities can divert attention away from core operational priorities.

This dynamic has led many organizations to explore workforce models that combine labor flexibility with stronger operational integration.

One approach gaining traction is on-site managed hourly staffing.

THE WAREHOUSE WORKFORCE REALITY

370,000+
U.S. warehouse jobs
remain unfilled

57% of supply
chain professionals say
hiring and retention
are their biggest
workforce challenge

**Warehouse Turnover
Frequently Exceeds
40–45% ANNUALLY**

**Replacing a Warehouse
Employee Can Cost Up to
25% OF ANNUAL SALARY**

**55% OF WAREHOUSES
Rely on Temporary Staffing
to Fill Labor Gaps**



WHAT IS ON-SITE MANAGED HOURLY STAFFING?

On-site managed hourly staffing combines the flexibility of hourly labor with embedded workforce leadership.

Instead of simply supplying workers, the staffing partner places dedicated supervisors directly within the facility to oversee workforce performance, manage recruiting pipelines, and coordinate with operations leadership.

These on-site leaders are responsible for critical workforce functions, including:

- Recruiting and hiring
- Onboarding and training
- Attendance management
- Safety oversight
- Performance coaching
- Workforce engagement
- Operational communication

At Eclipse Advantage, embedded supervisors work alongside operations teams to ensure workforce alignment with site processes, safety expectations, and productivity goals.

A photograph of two workers, a woman and a man, both wearing light blue polo shirts and dark blue overalls. They are standing in a warehouse or industrial setting. The man is holding a tablet computer and looking at it, while the woman stands next to him, also looking at the tablet. In the background, there is a yellow forklift and stacks of pallets. The lighting is industrial, with some bright spots and shadows.

This approach shifts staffing from a transactional service into a fully integrated workforce solution.

KEY BENEFITS OF THE ECLIPSE ADVANTAGE HOURLY STAFFING MODEL

Eclipse Advantage addresses the operational challenges highlighted above through four key benefits:

1. RELIABLE LABOR COVERAGE

On-site workforce leadership helps ensure consistent labor availability.

Through structured recruiting strategies and centralized hiring support, Eclipse Advantage maintains a steady pipeline of qualified associates. On-site supervisors monitor attendance and performance daily, allowing teams to address staffing gaps quickly before they disrupt operations.

2. ADAPTABILITY FOR CHANGING DEMAND

Because the workforce is structured around hourly labor, teams can scale staffing levels as operational needs evolve.

Facilities can expand staffing during seasonal peaks, promotional surges, or rapid growth periods while maintaining the flexibility to adjust workforce size during slower demand cycles.

Maintaining an active recruiting pipeline ensures organizations can respond quickly when operational demand increases.

3. STRONGER INTEGRATION WITH FACILITY OPERATIONS

Workforce solutions are most effective when they align closely with the facility's culture and processes.

Embedded supervisors help ensure associates understand site-specific workflows, safety expectations, and productivity goals. They also serve as a consistent communication bridge between operations leadership and the workforce.

Over time, this integration strengthens accountability, improves performance, and helps build a more cohesive team environment.

4. ENHANCED SAFETY AND WORKFORCE STABILITY

Safety is #1 priority in labor-intensive environments.

On-site leadership allows Eclipse Advantage to reinforce safety standards daily through training, coaching, and behavior-based safety programs. Supervisors monitor conditions in real time and address risks before incidents occur.

In addition, workforce engagement initiatives and structured onboarding programs help associates feel supported and connected to the operation, contributing to improved retention and workforce stability.

SUCCESS STORY: HOW ON-SITE MANAGED STAFFING WORKS IN PRACTICE

To further understand labor volatility and workforce strategy, it's valuable to look at how an on-site managed hourly staffing model operates in a live operational environment.

In this case study, a national food manufacturing company faced a persistent challenge common in physically demanding operations: attracting and retaining enough qualified associates to meet production needs as demand climbed and multiple facilities expanded. Traditional staffing approaches had struggled to provide the consistency and labor pipeline the client needed across locations.

Beginning in 2012, the company partnered with Eclipse Advantage to provide an on-site managed hourly workforce at its New Jersey facility.



Over time, that partnership grew to support:

- Over 900 regular associates, with the ability to flex headcount up to 1,200 during peak periods
- Staffing for three additional facilities, including locations where previous local staffing agencies had underperformed
- Strategic staffing during a facility start up that coincided with the onset of the COVID-19 pandemic, when labor markets were particularly volatile

Throughout this multi-year engagement, Eclipse Advantage's on-site managed staffing team played an active role, allowing the client to stay focused on business growth while workforce functions were handled in real time.

FROM STAFFING VENDOR TO WORKFORCE PARTNER: WHY ECLIPSE ADVANTAGE

As supply chains evolve, workforce strategies must evolve too. Operations need labor solutions that provide reliability, adaptability, and alignment with facility goals.

Not all staffing providers are built the same. Many focus solely on filling open positions, leaving operations teams to manage performance, training, safety, and day-to-day labor coordination. Eclipse Advantage takes a different approach.

Our on-site managed hourly staffing model embeds supervisors directly in the facility to oversee recruiting, onboarding, engagement, and safety in real time. This hands-on integration ensures associates are not only present but aligned with operational goals.

Over time, this approach creates a stable, flexible workforce capable of responding to fluctuating demand, supporting consistent performance day after day.



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The logo features the word "Eclipse" in a white, lowercase sans-serif font, followed by "ADVANTAGE" in a white, uppercase sans-serif font. The letter "V" in "ADVANTAGE" is stylized with a blue checkmark shape and a red dot above it. Below the main text is the tagline "Our People | Your Productivity" in a smaller, white, sans-serif font, with a vertical line separating the two phrases.

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