Enhancing Employee Engagement in Retail Food Waste Reduction

Executive Summary

Food waste is a critical issue across the supply chain. In the U.S., approximately 38% of food goes unsold or uneaten, amounting to 149 billion meals, $495 billion lost annually, and 5.2% of our nation's greenhouse gas emissions. The grocery retail industry contributes to 4.9% of national food loss and waste. Retailers are seeking to reduce that waste by setting food waste reduction targets and signing on to commitments such as the U.S. Food Waste Pact. To ensure that these commitments and targets turn to on-the-ground action, retailers need to understand the components of effective employee engagement and incentivization.

The U.S. Food Waste Pact undertook a research project to investigate the most effective employee incentivization and engagement strategies for reducing food waste within the retail sector.

The research entailed interviews with eight retail signatories to the U.S. Food Waste Pact, a host of industry experts, and a comprehensive literature review.

Two clusters of strategies were identified as critical to effective employee engagement:

1 | A reinforcing loop of training and empowering staff to tackle food waste, tracking and showcasing waste data at the store level, and recognizing employees and stores for their achievements

2 | Optional intermittent uses of competition and monetary incentives to bolster empowerment and recognition programs
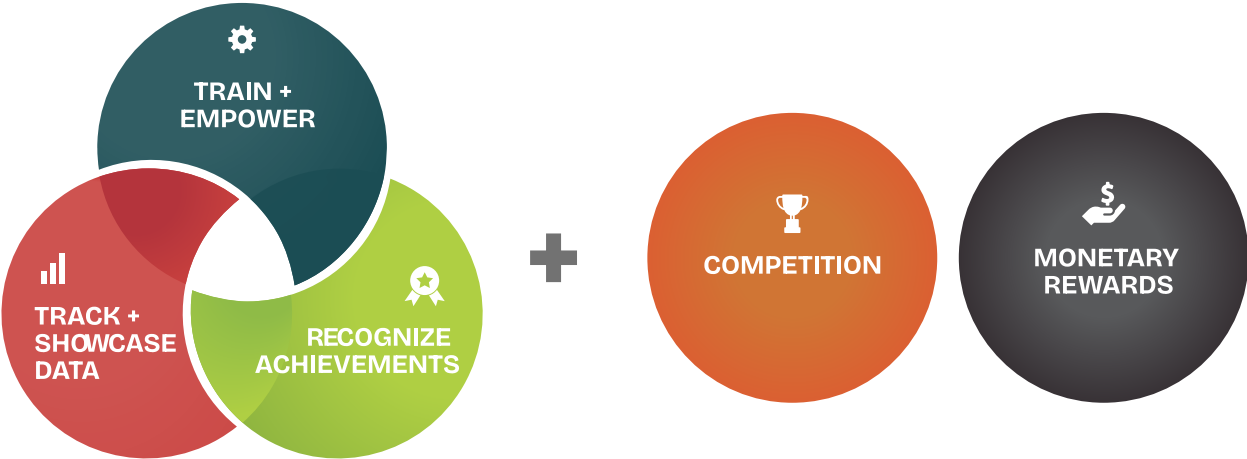
As next steps, the U.S. Food Waste Pact plans to:

- Create sector and brand agnostic toolkits and guidelines for successful staff training and empowerment programs.

- Pilot innovative strategies, especially those that seek to "Empower" and "Recognize" employees (less explored strategies).

- Explore standardizing employee training and recognition programs, such has having a brand agnostic employee food waste recognition/certification program.

Introduction

Retailers in the U.S. Food Waste Pact expressed a strong interest in learning and sharing best practices in employee incentives for reducing food waste. To begin forming a landscape analysis, the U.S. Food Waste Pact conducted interviews with Pact businesses and experts to answer the questions:

> **What are the most effective employee incentivization strategies for reducing food waste within the retail sector, and how can these strategies be implemented to achieve long-lasting change?**

Five strategies were explored to better determine their effectiveness and current level of usage for engaging employees in food waste in the retail sector:

1. Dedicated food waste training,

2. Data tracking and sharing with employees,

3. Recognition of employees for meeting food waste targets and milestones,

4. Competition within or between stores for inspiring action, and

5. Monetary incentives to reward food waste reduction achievements.

Methodology

This study was conducted over an 11-week period and included 18 interviews alongside a literature review of 24 case studies and scientific research articles. Eight retailers within the Pact were interviewed, usually with a member from the retailer's sustainability team. Ten industry experts were also interviewed. These experts included consultants, behavior change specialists, NGOs, and solutions providers.

A literature review was conducted to fill in data gaps and supplement interview findings, and included case studies, scientific research, and news articles totaling 24 papers.

Key Strategies and Recommendations

Five strategies for engaging employees in food waste were analyzed for their prevalence among retailers, perceived or potential usefulness, and challenges. Recommendations were then developed around maximizing the usefulness of each strategy.

⚙ Train and Empower

OBSERVATION

All eight interviewed retailers have implemented training programs aimed at educating employees on reducing food waste, but the level of formality and depth of these programs differs. The level at which employees are also empowered to act on their knowledge and passion in food waste varies, but it is this combination of food waste training *plus* opportunities for employee leadership that is most effective.

CHALLENGES

Grocery store associates have an average turnover rate of 69%, making education and awareness a constant challenge.

RECOMMENDATIONS

Action 1: Develop consistent, engaging training programs across all staff levels. Training should be brief, colorful, regularly updated, and tailored to specific roles. Training should include an explanation of "why" we—individuals, companies, and planet—should care about food waste.

Action 2: Incorporate ongoing monitoring and feedback loops to adapt training programs over time.

Action 3: Regularly train new employees and provide refresher training.

Action 4: Empower employees by giving them the opportunity soon after a training is administered to act upon newfound passion and skills to reduce food waste, to share ideas, and to develop their leadership in this area.

RETAIL EXAMPLE

The Whole Foods Market "Green Mission" program integrates multiple incentivization strategies

Whole Foods Market offers a highly popular and valued Green Mission program for employees to serve as volunteer store ambassadors, who are **empowered** with monthly activations around Whole Foods Market sustainability goals. Many of the activations are focused on reducing waste. Ambassadors engage in keeping track of their store's waste performance **data**, are **trained** in and act on opportunities for improvement, organize visits to their material recovery facilities and compost farms, and **recognize** those who have made improvements.

RESEARCH EXAMPLE

The industry expert, TripleWin Advisory, has led multiple pilot projects in partnership with the Pacific Coast Food Waste Commitment on employee engagement in the manufacturing setting. They suggest that when designing an effective food waste reduction training and empowerment program, the following guidelines should be followed:

- Keep it short—somewhere between 30 minutes to an hour.
- Spark excitement through the use of vibrant colors, animation, and concise content.
- Provide employees with an overview of food loss and waste as a global issue and drill down into store-specific challenges, offering actionable steps employees could take both at work and at home.
- Make it easy and accessible for employees to participate in food waste reduction initiatives at their plant through walkthroughs, daily standup meetings, ideas collection "boxes" (virtual or paper), and frequent revisiting of the topic through commonly used forums for employee communication.

RESEARCH EXAMPLE

The behavior change organization, RARE, found that when frontline employees within the restaurant industry signed onto a pledge to reduce food waste and wrote down a specific action they were going to take against food waste, it overall helped restaurants reduce food waste by 19.8% and provided actionable pride to its employees.

Track and Showcase Waste Data

OBSERVATION

Retailers exhibit varying levels of data collection, management, and tracking related to food waste reduction. All agreed that data collection and sharing the results with employees—showcasing their performance gains or areas for improvement—is a crucial tool that serves as one of the strongest motivators.

CHALLENGES

Although many of the retailers emphasized the importance of data collection and showcasing, many found challenges with collection, with six out of eight of the retailers noting that data is collected from waste haulers and donation partners rather than gathered internally. While many retailers want to gather data internally, at least two out of eight noted that associates do not care about scanning food or rarely scan the food to the correct location. One retailer mentioned that scanning the food would add additional work for the associates.

RECOMMENDATIONS

Action 1: Create a comprehensive and integrated internal data collection system that prioritizes data accuracy and visibility for employees at all levels.

Action 2: Ensure data is collected consistently by training employees on proper tracking procedures and by standardizing data formats.

Action 3: Set waste reduction, donation, and diversion targets such that employees understand how to interpret their data and where improvements can be made.

RETAIL EXAMPLE

Sprouts Farmers Market

Sprouts partners with their waste hauler WM to create store-level waste "Scorecards" that provide monthly data on their performance in waste reduction, diversion, and donation. Sprouts sets targets for each of these categories, and store managers can see how they are performing in comparison to those targets. Posters placed in key locations serve as visual reminders of the stores' progress and achievements, leading to increased awareness and motivation in employees.

Woolworths

One of New Zealand's largest grocery chains Woolworths recently updated its inventory management system using StoreCentral in an effort to reduce food waste. The app automates the food diversion process, allowing stores to accurately track waste and alert diversion partners for food donations, animal feed, composting, or other reprocessing. The results have shown a significant reduction in food waste sent to landfill, with some stores achieving over 90% diversion.
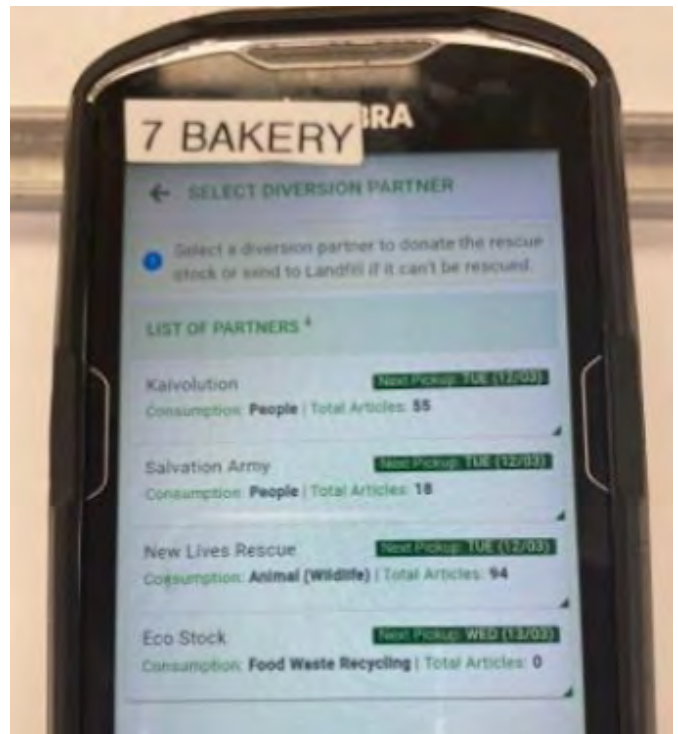
Employee Recognition

OBSERVATION

Three out of the eight retailers explicitly mentioned using recognition—defined as verbal acknowledgement—within their incentive practices, although none of the retailers explicitly track the effectiveness of these practices concerning food waste reduction.

CHALLENGES

There is often a short window of time when recognition can actually influence behavior. If the behavior is not immediately acknowledged, this incentive might not be impactful. Deciding how and when to recognize employees fairly can also be a challenge.

RECOMMENDATIONS

Action 1: Develop formal recognition programs that acknowledge employees for their contributions to food waste reduction efforts in a timely manner.

Action 2: Be specific about what the employee/store is being recognized for and connect it to company waste targets.

Action 3: Incorporate public recognition into daily business practices, such as highlighting employees in newsletters, emails, or meetings.

RETAIL EXAMPLE

Kroger's Zero Waste Champions

Kroger's retail operations team has built associate training and recognition into their Zero Hunger | Zero Waste programs to reinforce daily best practices and program participation. Associates receive targeted training during onboarding with annual refreshers that focus on reducing food and operational waste. Posters, training materials and additional resources are available in store work areas to reinforce training content.

Associates can then complete an advanced series of training modules across all areas of waste diversion, for which they earn the title of "Zero Hunger | Zero Waste Champion" and receive recognition from their managers.

In addition, stores and divisions can receive recognition for achieving the zero-waste status. Those that meet this performance standard are recognized through company-wide emails and meetings and receive a plaque, banner, and trophy that the store can display to the public.

🏆 Competition

Two out of eight retailers have used competition for food waste reduction incentivization among employees. When competition is used it is often on a store-to-store basis, rather than internally between departments or to reach an internal store-wide goal.

CHALLENGES

One store noted that while competition would be exciting, they are hesitant due to inconsistent and unreliable data, and that pitting stores or departments against one another would not be possible from a company cultural perspective or due to concerns from unions.

RECOMMENDATIONS

Action 1: Build competitions that focus on meeting goals around food waste prevention as well as donation and diversion.

Action 2: Focus competitions on collaboratively reaching shared goals, and allow for many "winners" or receivers of recognition.

Action 3: Use competition as a once-in-a-while generator of momentum and enthusiasm.

RETAIL EXAMPLE

Ahold Delhaize

One of Ahold Delhaize USA's local brands used competition to drive significant improvements in waste reduction by incentivizing stores on a regional level to outdo one another in donation and diversion rates. Top performers were awarded a "Golden Trashcan" and were acknowledged through a company-wide email. The stores appreciate having this award, and it's something they've celebrated publicly and internally.

Bob's Red Mill

As part of their intervention project, Bob's Red Mill created a multi-faceted employee engagement campaign that spanned over four months and included a one-month food waste reduction challenge which incentivized competition through weekly prizes and the opportunity to have an employee's food waste reduction idea selected to be piloted. One employee idea was chosen for implementation, and it led to more than a 70% decrease in waste on that manufacturing line.

Monetary Incentives

OBSERVATION

Half of the retailers used monetary incentives related to food waste KPIs for salaried employees like managers, district leads, and corporate VPs as a way to motivate change. Only one of the eight retailers explicitly used monetary incentives for their grocery store associates to reduce food waste.

CHALLENGES

Many of the retailers explicitly mentioned that monetary incentives were hard to implement for associates due to restrictions around union contracts and employees that were hourly rather than salaried.

RECOMMENDATIONS

Action 1: Use monetary incentives for Associates for short-term challenges to encourage quick gains in food waste reduction.

Action 2: Consider tying bonuses or financial rewards to specific food waste reduction goals, particularly for managerial and corporate-level employees.

RETAIL EXAMPLE

One retailer interviewed has a unique monetary incentive for associates. This incentive recognizes and rewards stores that achieve excellence in key financial and operational areas on a quarterly basis (including sustainability goals). If the store achieves the target it has set for itself based on its own past performance, all full-time staff receive a bonus between $75-$150 and part-time staff will receive between $50-$110 each quarter. This incentives program has been very successful since its launch in 2020 and has helped the retailer not only improve store financial metrics but also meet sustainability targets around their operations and food waste reduction efforts.

To summarize, the insights gathered from this study underscore the critical role that employee engagement, data management, and structured incentives play in reducing food waste within the retail sector. While each retailer faces unique challenges, the common thread across all successful initiatives is the implementation of strategic, action-oriented programs that align with broader sustainability and waste goals. By integrating dedicated training programs, enhancing data tracking, recognizing employee contributions, leveraging competition, and offering targeted incentives, retailers can not only achieve significant reductions in food waste but also enhance operational efficiency and employee satisfaction.

Future Research

Three major areas stood out to the researchers as ripe for further study and collaboration on this topic:

1 | **Region-specific strategies for employee engagement around food waste.**

In states like California that have robust composting and donation regulations, compliance with those regulations should serve as an incentive to employees to reduce waste. Communication and support in understanding these regulations should be a part of employee training.

Better understanding regional challenges with donation and diversion will help tailor the region's staff training (e.g. there may be a lack of partners in these areas).

2 | **Deepening engagement with grocery store associates.**

Although retailers have implemented food waste training programs, few actively seek feedback from associates. Future research should include surveys or interviews with associates to gather insights on the effectiveness of training programs and identify areas for improvement.

3 | **Develop industry-wide, standardized recognition programs to strengthen their power.**

Every retailer had their own internally developed food waste training and data collection methods, but the retail industry would benefit from developing standardized practices around these strategies. Industry-wide food waste certification programs could provide consistent skills development for employees while enhancing collaboration between retailers, donation partners, and waste haulers through unified reporting systems.

U.S. Food Waste Pact Next Actions

The U.S. Food Waste Pact will aim to support impactful employee training and recognition programs by:

✅ **Highlighting the most successful programs and sharing them across the sector**

✅ **Creating standardized resources and guidelines for success in each strategy, such as a training and empowerment toolkits**

✅ **Piloting new employee engagement and incentivization strategies and measuring their success through food waste reduction metrics**

✅ **Encouraging retailers to unify their procedures wherever possible to have standardization across the sector, such as building a brand-agnostic employee food waste recognition/certification program**

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U.S. Food Waste Pact

The U.S. Food Waste Pact is a national voluntary agreement to help food businesses accelerate progress toward their waste reduction targets. Led by national nonprofit partners ReFED and World Wildlife Fund, the U.S. Food Waste Pact is aligned around the global framework of "Target, Measure, Act" to help food businesses reduce waste within their operations.

Contact Us

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U.S. Food Waste Pact Signatories