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Target Logistics: Maximizing Worker Retention and Performance

Gene Lockard – July 17, 2014



Using a holistic approach to providing workforce lodging results in higher recruitment, performance and retention of oil and gas workers.

When is oil and gas workforce housing not just workforce housing? When it is designed from the ground up, with input from experts in a number of disciplines who understand the demands that working long hours in arduous conditions impose on workers, as well as the basic human needs that must be met for workers to perform at optimum levels.

That is what Target Logistics, a global provider of workforce housing for more than 5,000 workers in the United States and Canada, learned during its approach to supplying living quarters.

Energy companies often find fossil fuel reserves in shale formations located in areas with insufficient accommodations nearby for the workers who are brought in – often by the thousands – to extract the resources within. Work camps become a necessity for the workers. However, worker retention and performance suffer because the quality of life available in these camps is lower than what most workers had been accustomed to before relocating to the formations to work.



A Target Logistics Lodge in Dunn County, North Dakota. (Furnished by Target Logistics.)

When workers are suddenly needed for production operations, shelter is generally not at the top of anyone's list of priorities, Scott S. Junk, Target Logistics senior vice-president of marketing, told Rigzone.

"Providing for the needs of the worker should be one of the first issues that a company thinks of when sending them to remote locations," Junk said.

Workers spend half of a 24-hour day on the job. The rest of the time – the other 12 hours – is theirs. And the quality of life offered to them during that other 12 hours affects performance, safety and retention statistics, Junk added.

In one example, oil and gas companies had trouble attracting workers in Canada's Bakken formation when they did not offer accommodations, according to a May 2013 study by the Petroleum Human Resources Council of Canada. The report recommended employers offer their workers accommodations as a recruiting and retention strategy. The companies that had premium accommodations and began saying so in their advertising for new workers found that doing so gave them more success in recruiting and retaining workers, according to Mark Salkeld, President and CEO of Petroleum Services Association of Canada.

In one case study of how retention was positively affected by the quality of life that workers had during the half of the day when they were not working, a global oilfield services company moved away from using local hotels, motels, trailer parks and apartments for their employees, and began offering housing from Target Logistics. The result was an increase in employee retention of 66 percent, which saved the company more than \$10 million a year, according to "The Economics of Comfort: Case Study by Target Logistics and Client."

The housing offered by the company comes with many of the amenities people have come to expect when living at home, including DVDs or Blu-ray Disc players, flat-screen televisions, microwaves, a self-service laundry room, a gym and fitness center with advanced equipment, and an internet café and Wi-Fi throughout the lodge.

The amenities were necessary for a higher quality of life, but they were insufficient to ensure that worker health, safety and performance would be maximized, Target Logistics said. Something more was called for.

So, the company began to work with professionals in several areas related to health and performance, including:

- Sleep
- Nutrition
- Relaxation

The health and safety of workers in shale formations is of great value to the energy companies represented there. To promote good worker health, Target Logistics' holistic approach includes enlisting the help of sleep experts like Nancy H. Rothstein. Research has shown that a good day's or a good night's sleep is necessary to perform safely and at optimum levels, Rothstein told Rigzone. And while the importance of something that seems as natural as sleep cannot be overstated, many people, even those living at home, fail to get adequate sleep, Rothstein said in a white paper on the importance of sleep.

The likelihood of getting inadequate sleep is particularly high for rig workers, who work long and often irregular hours. The demands of the job environment, where oil and gas workers are exposed to the elements, are often severe, and following proper safety precautions while engaged in various rig duties demands a keen level of attention. However, that is possible only with the proper amount of good-quality sleep, Rothstein said. Getting the proper amount of sleep is essential for maximum performance and productivity. The proper amount of sleep can also help reduce the vehicular accident rate.

"The stakes are higher for workers in the oil and gas industry, whose safety and ability to work long hours demand getting the proper amount of good sleep. Companies that invest in a high-quality sleep environment for their workers realize such benefits as increased productivity and retention, and fewer safety issues or sick days," Rothstein said.

Another necessity to safely perform at optimum levels is proper nutrition. Just as getting enough sleep is essential for optimum alertness and productivity, getting the proper nutrition is an absolute must to perform at optimum levels for long hours in inclement conditions, Christopher Wanjek, a health and science writer, told Rigzone.

While everyone needs proper nutrition, it is particularly important for workers laboring for long hours at a time in challenging conditions like a Texas summer or a North Dakota winter. Working in colder weather, for example, increases nutritional needs significantly, Wanjek said. A worker performing heavy labor in low temperatures typically requires upwards of 4,000 kcal per day, and the food should offer the proper balance of vitamins and minerals to work at peak ability for long periods.

Workforce housing cannot replace one's home and family, Junk said, and even offering workers the opportunity to get the proper nutrition and sleep is not enough if the worker is not motivated. Regardless of how many steps a company takes to offer workers the possibility of an improved

living environment, however, the decision to take advantage of it remains in the hands of the worker.

“Ultimately, it is up to the employee to take advantage of what is being offered. I think the next step is to find a way to make the employees motivated enough to access what is being offered,” Junk said.