Quinyx

GUIDE

The 3 biggest WFM Trends in 2022

Introduction

As we accelerate into 2022, it's critical to look back at the past two years, understand the impact they've had on the labor force, and how they'll define workforce trends in 2022.

A huge stand-out is the disconnect between what employees want and what employers offer. The hard fact is; you need your frontline employees more than they need you.

Shifting your focus to your frontline workers and creating a compelling value proposition to address their needs is a must. The better you do this, the easier it will be to manage, engage and retain your workforce - and ultimately secure the success you want and need!

In this report, you'll learn:

- How the Great Resignation, the big shift in employee demands, and the strategic use of tech affect your workforce
- Three strategies to gain an innovative advantage and match the future of work
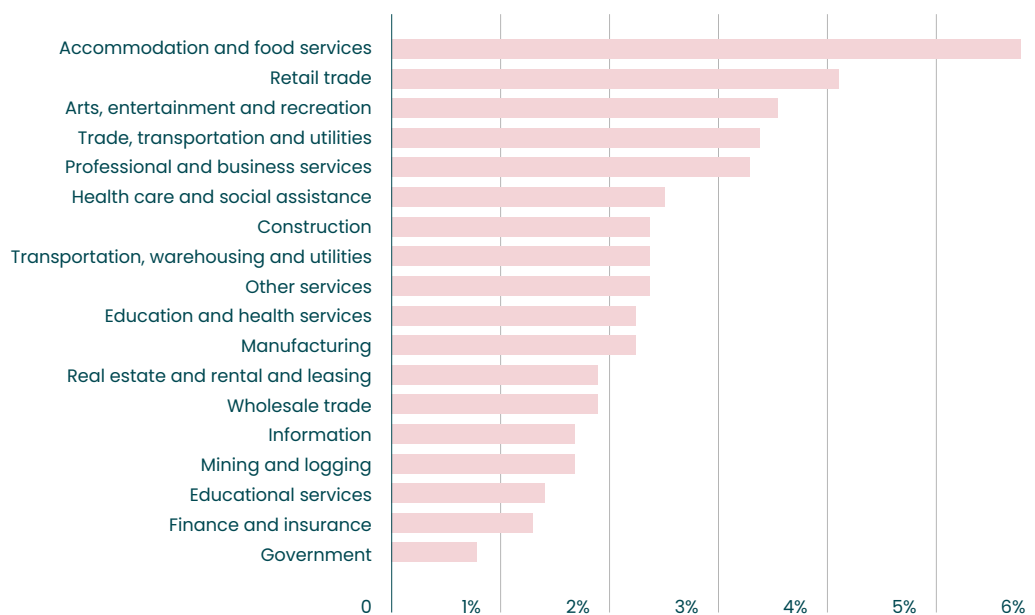- How to boost employee engagement and lower employee retention

1. The ~~Resignation~~ Reckoning

2021 was defined by **The Great Resignation**, a global phenomenon that saw record numbers of employees saying: "I quit". In September 2021 alone, more than 4.4 million Americans quit their jobs.

But it's not just any employees; the movement is led by frontline workers (many on low wages and from minority groups), who feel their employers are not meeting their needs. The industries that see the highest quit rates rely heavily on these workers.

The accomodation and food services sector experienced the most quits in 2021

Industry	Quit rate
Accommodation and food services	6%
Retail trade	4.3%
Arts, entertainment and recreation	3.7%
Trade, transportation and utilities	3.6%
Professional and business services	3.5%
Health care and social assistance	2.7%
Construction	2.6%
Transportation, warehousing and utilities	2.6%
Other services	2.6%
Education and health services	2.4%
Manufacturing	2.4%
Real estate and rental and leasing	2.1%
Wholesale trade	2.1%
Information	1.9%
Mining and logging	1.9%
Educational services	1.6%
Finance and insurance	1.5%
Government	1%

Source: U.S. Bureau of Labor Statistics Job Openings and Labor Turnover Survey

The pandemic has been the driving force behind this big shift and has made many employees ask:

- How does my job serve me?

- Is it flexible?

- Can I achieve my goals and progress in my career?

- Does it keep me safe?

- Am I more than a replaceable asset?

- Is it worth it?

As **Betsy Summers, Principal Analyst on the Future of Work at Forrester**, told us in the webinar Workforce Trends and Predictions 2022:

> *"The Great Resignation is very broad and, while people are leaving jobs in huge numbers, we've seen a year-over-year net employment gain. So the question you need to ask is - why are people leaving your business?*

> Organizations that are seeing huge exit numbers, therefore need to go through a Great Reckoning of their own, and question how they're treating and retaining their employees."

Here's why it matters

Companies that have invested in and prioritized employee experience, understanding their workforce culturally and strategically, and deploying tools and tech accordingly, are not seeing the same talent drain.

Moreover, poor retention rates have soaring costs associated with them. For example, employee retention is 3x worse in retail than in other industries, costing an average of $1,500 per employee to replace.[1]

2. The Big Shift

There's a big shift happening in the workforce, driven by younger generations. In the US alone Gen Z and Millennials now make up 46% of the US workforce.[2]

This generation of workers has a different set of values and they want different things from their employer. Above all else, they want ethical leaders and employers who care about their wellbeing.[3]

They want to be **enabled and empowered**. They want to celebrate the ramped up digitalization we're seeing in the workplace because they know the right tools will make their everyday work lives easier. And they're not wrong because **empowering your frontline workers through digitalization can lead to a 17% increase in productivity, a 21% increase in profitability, and a 40% reduction in employee turnover.**[4]

2, 3 https://www.gallup.com/workplace/336275/things-gen-millennials-expect-workplace.aspx
4 https://news.gallup.com/poll/241649/employee-engagement-rise.aspx

Do this alongside developing wellbeing, ethical and transparent leadership, diversity, equity and inclusion in the workplace and you'll be creating the perfect environment for your frontline workers.

3. Tech is everything

Tech is no longer limited to one area of the business; it's everywhere. McKinsey notes that digital adoption took a 'quantum leap' forward at both organizational and industry levels as a result of the pandemic.[5]

Gartner calls this "The Total Experience", which they describe as "a business strategy that integrates employee experience, customer experience, user experience and multi experience across multiple touch points to accelerate growth. Total experience can drive greater customer and employee confidence, satisfaction, loyalty and advocacy through holistic management of stakeholder experiences."[6]

With a modern approach to software, IT departments in future-facing organizations are leveraging cloud-native platforms to build resilient, elastic and agile IT architecture - enabling them to respond rapidly to digital changes, adds Gartner.

A strategic use of tech across your whole organization will help you give more to your customers and employees while accelerating your growth.

5 https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/how-covid-19-has-pushed-companies-over-the-technology-tipping-point-and-transformed-business-forever
6 https://www.gartner.com/en/information-technology/insights/top-technology-trends

Strategies that match the future of work

Organizations that thrive are doing two things; firstly, their culture, strategy and technology policies are in harmony with each other. Secondly, their culture is centered on their employees and they make retaining their employees a key business objective. Here's three strategies to help you do the same.

1. The Golden Circle of Workforce Management

It's your people who make your business go round. We've heard it stated by many experts – [from the former CEO of Starbucks to the EVP & Chief Supply Chain Officer at Sysco](#).

Betsy Summers, Principal Analyst on the Future of Work at Forrester, describes employee experience as *"the sum of all perceptions that a worker has while they're at work"*.

Any moment throughout the day can change that perception, and all moments add up over time to define how good (or bad!) the employee experience is. Continuous measuring and communication are crucial to help understand your frontline workers' needs, and to be able to align your culture, strategy, and technology. Trained, engaged, informed and rewarded frontline employees – empowered by tech – are imperative to business success

Inspired by Simon Sinek's golden circle, here's a **golden workforce management circle of culture, strategy and technology**.
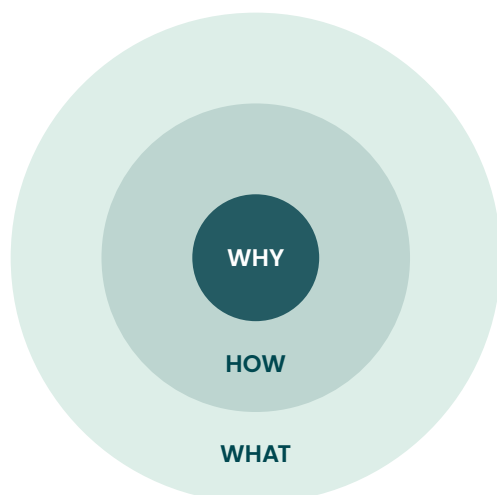
Why – Culture and values
How – Strategies
What – Technology

Overall result:
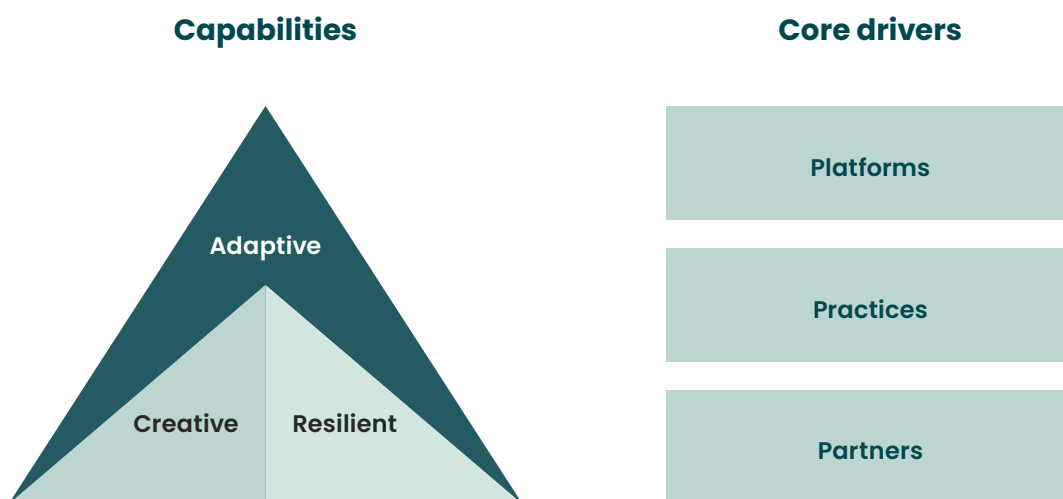Fantastic employee experience

WHY

HOW

WHAT

Culture and values are **why** you do it, strategy is **how** you do it, technology is **what** you do it with. Each one is deeply integrated and reflective of each other. When they aren't integrated, there's a disconnect which creates disjointed employee experiences.

The WFM golden circle in practice

Think about workforce management tools; If communication is a critical part of your culture or something you are looking to improve, your chosen WFM platform must have advanced communication features. It must allow for a 2-way communication between employers and employees to ease swapping shifts, send holiday requests, and send feedback.

Your chosen platform needs capabilities that will support and drive your culture. If your WFM platform is aligned with your WHY, it will promote adoption and perception of your values - not cost or change management programs.

Technology is a way to scale culture and drive retention. Just look at one of the Forrester models for growth, called Future Fit, that applies to technology choices, strategy, and leadership.

Capabilities

Adaptive

Creative   Resilient

Core drivers

Platforms

Practices

Partners

Source: Forrester Research, Inc. Unauthorized preproduction, citation, or distribution prohibited.

2. Employee Listening and Talent Management

Listening and feedback mechanisms are at the root of employee experience. It's hugely important you show empathy, you put yourself into their shoes, and understand what's important to them.

We'll give you a clue; 35% of frontline workers we surveyed in 2021 told us they'd prefer a more flexible schedule rather than a pay rise.

Even though we're seeing a trend in big players like Macy's, Amazon and Walmart, offering signing-on bonuses and perks like free college tuition... the employee experience goes much deeper. As Forrester's Betsy Summers says:

> "
>
> "Pay, perks and bonuses are one off and not very sustainable ways to build employee experience or engagement. Employee experience is about flexibility and agency over their work, career growth opportunities, communication channels, trust, and the tools your employees need to do their job."
>
> "It's much smarter to invest in strategy and tools that reinforce your culture and establish a relationship with your workers. Ask them what they need from the company to stay engaged and productive and then take action. You have to know where you are in order to figure out where you need to go."

Contrary to popular opinion, hourly workers want long term jobs and career progression; 61% of hourly workers said they plan to stay in their job between 1-3 years, but 54% also indicated that a negative environment would lead them to consider leaving a position.[7]

7 https://www.quinyx.com/deskless-workforce

Further studies found that hourly workers are twice as interested in earning a promotion at their current employer via their work experience than in changing jobs to climb the ladder.[8]

> "

"Career growth is in the top three of engagement drivers for all kinds of employees. To facilitate this, organizations need to have a few pieces in place to scale their efforts. They need intelligence about their talent, they need upskilling and rescaling strategies and they also need manager enablement like to help managers facilitate more talent mobility, career growth and engagement", adds Summers.

What's more, employees who feel empowered and engaged at work are much more likely to stay with their organizations and value purpose over salary.

8 https://www.hrdive.com/news/hourly-workers-want-to-be-promoted-from-within/556506/
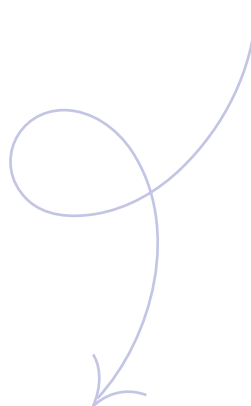
3. Investment In Tech

The pandemic proved it's worth investing in the right tech if you want to grow and create great customer (and employee!) experiences. Despite this, Betsy Summers from Forrester mentioned that one of their surveys found that only 23% of frontline workers have access to the technology they need to be productive. It's a shockingly low number.

According to research by Harvard Business Review Analytic Services, **90% of business leaders agree that their organization would be more successful if frontline workers were empowered and enabled to make data-driven decisions on the spot.**[9]

---

9 https://www.businesswire.com/news/home/20200505005195/en/Nearly-90-of-Organizations-Say-Success-Depends-on-Data-Driven-Decisions-Made-by-Frontline-Employees-According-to-New-Report

As an example of tech in action, look at the benefits a workforce management tool can bring. Employees use it all the time - from checking their schedule to messaging a manager. It's becoming the new 'the source of truth' for many organizations, helping managers and teams to:

- **Improve the scheduling process**
- **Forecast demand far more accurately**
- **Save time on admin**
- **Maintain compliance**
- **Decrease or limit payroll mistakes**
- **Lower employee turnover**
- **Improve communication**
- **And much more!**

It's a far cry from legacy tools that often only fit one purpose, don't help breakdown silos and aren't fit for sharing data across the organization.

But the biggest impact can only be unlocked if everyone (from frontline employees to senior executives) is working towards the same goals, and if every piece of tech works in harmony together. Leaders also need to ensure that their initiatives consider the entire workforce, address the organization's needs, and can be scaled up effectively. This is particularly crucial now as companies speed up their efforts to launch products, expedite processes, and match the pace of the evolving market.

Summary

The past couple of years have taught us this:

1. **You need to put your employees and customers first, and create experiences that they value and love in order to rise above the noise.**

2. **Your culture and values, strategies, and the tech you use have to be aligned and compliment each other.**

3. **You need tech that helps you react quickly to whatever situation is thrown at you - from a global pandemic to a labor crisis.**

Investing in your frontline workforce and technology is a game changer. You'll have employees who feel valued, customers who get a best-in-class customer experience, you'll accelerate your growth while reducing your costs and boosting your revenue.

As far as software developed to manage your frontline workforce goes, WFM is the bridge between your values (WHY) and the everyday experience (WHAT) your employees have.

WFM tools like Quinyx enable higher employee engagement, smoother communication, flexibility and recognition to build the best employee experience. It benefits both employees and employers while empowering your organization to be more successful.

For more insights
visit **quinyx.com**

Quinyx