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Engaging Your Entire Workforce

21st Century HCM is for All Employees — Hourly and Salaried Alike

Introduction

Almost 60 percent of the U.S. workforce consists of hourly workers.[1] Yes, the hourly workforce includes what might be labeled the “traditional” hourly worker such as a union employee on an assembly line or a sales clerk in a shoe store.

But it also includes professionals with a wide range of skills working in a broad spectrum of industries — from nurses working their hectic shifts to contingency IT experts buried in code as they help develop a new product. Yet one thing every segment of this workforce shares — and what sets them apart from the salaried workforce — is that they each have different needs and different expectations of their employer. As a result, your organization must think differently about the strategies you use to build and sustain engagement if you hope to attract and retain the talent needed to achieve your strategic goals.

While it’s easy to agree with this sentiment, it’s harder to follow through. Well-crafted experiences that make it easy for the entire workforce to fully participate in talent management initiatives go a long way toward making the hourly and front-line worker feel like valued members of the organization.

Sadly, traditional human capital management (HCM) thinking and products have too often failed to address the needs of this large — and vital — percentage of the workforce. It’s time to think differently about your HCM strategy and the tools and technologies you use to engage and retain your entire workforce — both hourly and salaried employees alike.



1 Bureau of Labor Statistics, Characteristics of Minimum Wage Workers, 2016, April 2017, found at https://www.bls.gov/opub/reports/minimum-wage/2016/home.htm



The Hourly Workforce Challenge

We get it. Everything is changing. But given the importance of talent in today's rapidly evolving business environment, we should all be paying attention to continually shifting employee expectations, the growing diversity of talent pools, and the increasingly unique needs of different employee segments.

Considering all that, challenges come into play when it comes to the hourly workforce:

1 HOURLY HIRING IS ON THE RISE.

The hourly workforce continues to grow. It not only accounts for 58.7 percent of the U.S. workforce,[2] but also for 80 percent of all hires each year[3], because hourly workers have skills, education, and knowledge that employers desperately need. Research shows that among the hourly workforce:

- 45% either has at least a four-year college degree or some college credits[4]
- 18% has an advanced degree or graduate credits[5]

2 HCM SOLUTIONS AREN'T TYPICALLY BUILT FOR HOURLY EMPLOYEES.

The HCM technologies many organizations have put in place to manage their workforce aren't built for this population of employees. Most of these solutions, which automate hiring, benefits, payroll, compensation planning, performance management, and core HR, are built for an office worker — someone with regular working hours, a dedicated workstation, and consistent internet access. Relying on such technologies only makes it more difficult for organizations to fully understand and engage today's diverse hourly workforce.

3 THEY WANT TO BUILD THEIR CAREERS WITH AN ORGANIZATION.

It's true that a third of hourly workers just want a job to pay bills while pursuing other interests, but nearly as many (29 percent) see their hourly job as the start of a career path with the company they work for.[6] With the cost of recruitment so high, it's time to think about engaging and developing employees who want to grow with the organization.



2 Bureau of Labor Statistics, Characteristics of Minimum Wage Workers, 2016, April 2017, found at https://www.bls.gov/opub/reports/minimum-wage/2016/home.htm

3 Snagajob, State of the Hourly Workforce 2016 Annual Report, at 4, found at http://www.snagajob.com/employers/wp-content/uploads/2016/07/2016_SOTHW_Report-3.pdf

4 Red e App and Edison Research, Profile of the Hourly Worker, November 2015, at 6.

5 Ibid, at 6.

6 Snagajob, State of the Hourly Workforce 2016 Annual Report, at 18, found at http://www.snagajob.com/employers/wp-content/uploads/2016/07/2016_SOTHW_Report-3.pdf

The hourly workforce is ready to get to work, be productive, engage with an organization, and ultimately succeed. But they need systems and organizations that fully support them and address their unique needs.

A SNAPSHOT OF THE HOURLY WORKFORCE

60%
ARE FEMALE[7]

60%
ARE UNDER 35 YEARS OLD[8]

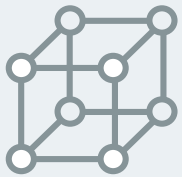
7 Snagajob, State of the Hourly Workforce 2016 Annual Report, at 18, found at http://www.snagajob.com/employers/wp-content/uploads/2016/07/2016_SOTHW_Report-3.pdf

8 Ibid., at 10.

Skill Shortages and Their Effect on Hourly Talent Pools

The "war for talent" may be an overplayed and overhyped concept, but competitiveness is still a very real factor for many hourly industries. The impacts are far-reaching, with organizations facing a stark reality for hiring hourly workers: Skills shortages are taking a toll on hourly talent pools.

This reality isn't hitting only one industry. The skills shortage affects nearly every industry that depends heavily on hourly workers.



TECHNICAL

Eighty-six percent of hiring managers and recruiters say it's challenging to find and hire technical talent and 75 percent say that time to fill for roles has increased in the past three years.[9]



MANUFACTURING

Recent data suggests that **nearly 3.5 million manufacturing jobs likely need to be filled** over the next decade, and the skills gap is expected to result in 2 million of those jobs going unfilled.[11]



HEALTHCARE

According to Glassdoor, **many positions in healthcare remain open for two to six months,** including critical roles like registered nurses, pharmacy technicians, and physical therapists.[10]



RETAIL

Although retail has been disrupted by the digital revolution, research shows that **retailers need new strategies to attract, retain, and develop** a workforce that can meet the industry's coming evolution.[12]

9 Indeed Blog, Is the Tech Talent War Hurting Innovation? Hiring Managers and Tech Recruiters Respond, December 5, 2016, http://blog.indeed.com/2016/12/05/impact-of-tech-talent-shortage/

10 Fast Company, These Are the Jobs That Will Have the Biggest Talent Shortage in 2017, December 20, 2016, found at https://www.fastcompany.com/3066658/these-are-the-jobs-that-will-have-the-biggest-talent-shortages-in-2017

11 Craig Giffi, Ben Dollar, Michelle Drew, Jennifer NcNelly, Gardner Carrick, and Bharath Gangula, The Skills Gap in U.S. Manufacturing 2015 and Beyond, Deloitte and The Manufacturing Institute (2015), at 2.

12 Deloitte, Retail Talent Disrupted, 2016, at 2, found at https://www2.deloitte.com/content/dam/Deloitte/tr/Documents/consumer-business/retail-talent-disrupted-pov.pdf

Given the competition for talent, now is the perfect time for organizations to start thinking about how to better attract, engage, and retain hourly employees, if they haven't already.

What we have today is an hourly workforce that wants to be deeply engaged in the business and hiring organizations that desperately need to attract, retain, and develop hourly talent.



How the Expectations of an Entire Workforce Are Changing

Analysts and industry observers agree that the next wave of technology solutions and HR strategy will be oriented around engaging and leading the entire workforce — hourly and salaried alike.

This isn't about extracting more value or increasing workforce management automation. That work is already underway. The coming wave of technology and strategy will instead focus on designing and implementing employee experiences that engage the workforce in ways that drive customer satisfaction and better business outcomes.

It's about understanding what's important to hourly workers — just as you've done for your salaried employees — so you can effectively design hiring and employee experiences that meet the expectations of every population in your workforce.





EMPOWERMENT — the ability for the people closest to business issues to feel they have the knowledge and authority to make decisions that positively impact the organization

FAIRNESS — trust and confidence that every employee in the organization is given a fair and equal chance to grow and succeed

TRANSPARENCY — visibility into the business and its processes, so employees understand the why, not just the what and how

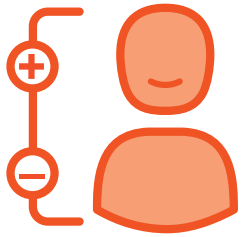
GROWTH AND DEVELOPMENT — a path forward for growth in the organization and a way for employees to see themselves in roles beyond their current job or skill sets

FLEXIBILITY — a workplace culture with supporting tools and policies that allow for win-win schedules that benefit employer and employee alike.

When organizations can create these types of experiences, they can drive greater employee engagement — something hourly workers crave and organizations need to satisfy if they hope to engage and retain the talent required to remain competitive.

Creating a Holistic Strategy with End-to-end HCM Technology

Organizations can't create these incredibly important employee experiences in a vacuum. They need to back up their holistic HCM strategies with technology that addresses the experience of the entire workforce — particularly employees and frontline management. That way, every employee knows that they belong and that their needs matter.



TALENT MANAGEMENT

Employee experience: Growth and development, empowerment, flexibility

Making employees feel valued — while still meeting the needs of the business — is a serious challenge. A critical step is adopting systems oriented toward a workforce that won't always be in front of a computer, if they even have one at all. A talent management system that helps all employees grow and develop can drive sustainable employee engagement, regardless of role or pay grade. A talent management system can do this if it allows employees to give and receive continuous, ongoing feedback and have meaningful performance conversations with their managers. When employees know how they're doing and have a voice in the work experience, they're far more likely to feel engaged and believe they have a fair chance to grow in the organization.

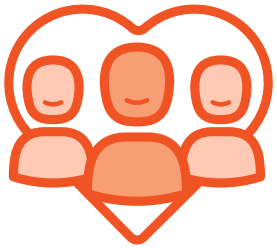


CORE HR

Employee experience: Empowerment, transparency

Onboarding and benefits enrollment are the most common touch points for employees and core HR systems. The traditional approach to handling these experiences has been a manual, paper-based process. I-9, benefits, and custom employer forms add up, and it can be easy to lose track of what you signed and when. Today, core HR systems can empower employees to manage this information completely online, ensuring they have more control of their personal information and benefits selection.

For employees, automation of core HR functions encourages them to engage on their own terms. For busy line managers and HR professionals, reducing the paper burden is an easy way to streamline tedious HR administrative tasks, so everyone can focus on what's most important: coaching and developing their people.



ENGAGEMENT

Employee experience: Transparency, empowerment, fairness

Organizations can't execute an effective engagement strategy if they don't have the workforce data to inform that strategy and drive fact-based decision-making. HCM solutions that support all employees address the unique challenges that organizations face in collecting that information by providing a full picture of the entire workforce. For example, some manufacturing organizations use scanners or other instruments to collect information about the work environment from employees on the plant floor. Pulse surveys, when they're accessible to all, can offer a direct means of assessing employee attitudes that would otherwise go unreported. Most important, these types of engagement initiatives signal to employees that their employer cares about their feedback. And by making that feedback actionable, organizations can respond to the survey data — building trust across the entire workforce.



WORKFORCE MANAGEMENT

Employee experience: Transparency, flexibility, fairness

Time-and-attendance systems can give organizations visibility into employee trends and patterns, equipping managers with tools and resources to drive proactive conversations. For example, if a group of employees is consistently arriving late to work, maybe that segment needs to shift hours to accommodate local traffic patterns or child care demands. Increased visibility into time and attendance can also help ensure that organizations are creating fair and flexible work schedules for all employees. For example, employees could be offered extra shifts through a scheduling app on their mobile device, enabling them to respond at any time, from anywhere, for greater autonomy and control.

It's Time to Think Differently About HCM Strategy for the Entire Workforce

Organizations have spent tremendous time and effort on HCM strategies and systems that simply aren't built for their entire workforce.

They've created HCM strategies that focus on salaried workers, while they focus their workforce management processes on hourly employees. Now you have an opportunity to think differently about how you can hire better, retain employees longer, and be more competitive by meeting the diverse needs and expectations of the entire workforce.

While technology plays an important role, it's as much about having an HCM philosophy that's people-centered across the whole organization. Technology and philosophy must converge to serve the needs of hourly, salaried, traditional, and nontraditional workers. That includes managing the complexities of each employee segment — like scheduling, managing, measuring, and paying hourly workers — while also implementing an effective HCM strategy and supporting technology solution that cater to the whole workforce.

As business leaders look to the future, the call to action is clear: We can no longer be divided by how we're paid or whose name is on the paycheck. We all need to work together to drive our organizations forward. Strategy and technology need to work together to unite what's separated employees in the past and drive engagement and results for the benefit of all.

> The mindset around HCM strategy and technology must change, and it needs to change now if organizations want to successfully engage hourly employees.

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