



North America

Retail: State of The Hourly Workforce



ABOUT THE REPORT

State of the Hourly Retail Workforce

As the nation's largest private-sector employer, retail supports more than one in four U.S. jobs — in other words, an astonishing 52 million working Americans!

2021 proved that retail is alive and kicking with a 14% increase in overall retail sales from January 2021 to September 2021, compared to the same period in 2020.

But many retailers continue to suffer from the labor shortage crisis, where finding and retaining talent remains a huge challenge. Quite simply, there are not enough shift workers to keep up with the growing demand. In September 2021, the labor force participation rate was 61.6 percent, down from 63.3 percent in February 2020, representing a 4 million people dip in the labor force!

As a result, many retailers are struggling to find enough staff to maintain their basic operations, let alone deliver customer satisfaction. And among workers who are available, they are often deployed inefficiently, causing a lag in productivity that's felt across business revenue, the workforce and customer experiences.

In our annual State of the Hourly Retail Workforce, we polled 600 retail hourly workers and managers – the results highlight some great opportunities for retailers to improve employee satisfaction, productivity, and ultimately retention by providing stable and flexible schedules, safer working conditions and more human benefits such as paid sick leave and vacation time. When employees are given the tools to perform at their full potential, their satisfaction goes up, productivity increases, and your business grows as a direct result.



Hiring and retaining your hourly workers

Employee retention is

3x

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Employee retention is 3x worse in retail than in other industries, costing an average of \$1,500 per employee to replace. Attracting new hourly retail employees and keeping current employees excited about working for you are now equally important. In a competitive environment where sign-on bonuses are common and hourly rates are high, retail businesses need to demonstrate what distinguishes their workplace from another.

Macy's is offering referral bonuses of up to \$500 for each friend or family member that employees recruit to join the company. Walmart is paying as much as \$17 an hour to start and has begun offering free college tuition to its workers. And some Amazon warehouse jobs now command signing bonuses of up to \$3,000.



From our research, we learned that as many as half of current retail hourly workers believe finding another job would be an easy task. That's right: 50% of your retail workers feel confident that they could find other opportunities if they're not satisfied at work. And right now, hourly employees in the retail industry are hyper-aware of employee benefits outside of wages and higher pay. As we discovered, schedule flexibility and paid sick leave were huge priorities for retail workers.

35%

of deskless workers went to work sick because they couldn't afford time off

65%

indicated they'd rather have a flexible schedule than higher pay

37%

said their personal care time suffer from inflexible schedule

"Events of the past year highlighted how critical frontline retail associates are to making sure customers are served safely and effectively... 46% of retailers believe digital workplace and employee-experience-related technologies will play a key role in recovery efforts over the next few years. When asked about strategy changes since COVID-19, 54% of retailers report plans to either deploy digital workplace efforts in response or increase existing investment."

Gartner's 2021 Innovation in Crisis Survey

Trouble attracting or retaining your hourly workers? Here's how Quinyx can help.

Retaining employees means more than just providing them with higher wages or sign-on bonuses. The challenges of managing a workforce and meeting employees' expectations are ever-evolving. Hourly workers care about flexibility and career progression that makes them feel valued and empowered. The highly sought-after hourly workers have a demand of their own: a career path. Lower-waged employees want opportunities to grow and a few companies are already making those promises a reality.

Quinyx helps managers and head offices plan ahead by providing actionable insights on hiring and re-training needs based on highly accurate forecasting powered by machine learning. Being able to understand these needs in advance, helps create accurate growth plans for current employees.

For hourly employees, poor communication is often the source of frustration and misinformation. A tool that allows your managers to communicate with their staff and staff to communicate amongst one another can help reduce that frustration. Schedule flexibility is also a huge factor in retention, as our research highlighted 4 out of 10 hourly workers would rather have a more flexible schedule over a higher wage. By providing employees the right tools companies can help employees gain a sense of flexible empowerment over their schedule.

Quinyx's app for example helps improve employee morale and engagement by enabling employees to see their schedules and time approvals, punch in and out on their mobile, and bid or take on extra shifts. The result: giving them a say over their work-life balance.

Quinyx Success Story

Companies using Quinyx see an average of 98% app adoption rates amongst hourly employees, resulting in better communication and more mainstream scheduling. Average ROIs include a 10% Improved employee satisfaction, 30% increase in employee productivity, and a better in store customer experience.

State-by-state compliance across every retail locations

Retailers with store locations across the country come with changing expectations and obligations – compliance around a multitude of labor regulations including subjects like minimum wage, time off, and ever-changing covid-19 mandates can be tricky.

Minimum wage is adjusted from one state to another and keeping up with employee expectations and government compliance has historically required a lot of additional ongoing administration.

[Read our compliance guide to keep up with current labor and compliance laws.](#)



Difficulties keeping track of federal, states, and local labor laws? Here's how Quinyx can help.

Quinyx provides comprehensive configurations, so you can create flexible templates with the legal minimum wage for each location, time of the day worked, and job - accounting for every federal, state, and regional wage law. The templates are easy to configure and copy. The result is 100% accurate payroll files, even as minimum wage laws change.

To reduce complexity and administration time, Quinyx integrates seamlessly with payroll providers such as ADP. As Quinyx instantly notifies you if a pay rate violation occurs as shifts are scheduled, it helps avoid any payroll errors before they arise.

Easily implementing shift differentials with Quinyx:

Quinyx allows you to effortlessly set conditions for shift differentials, taking into account shift type, start and end time, and time worked during certain hours of the day and days of the year.

This helps you stay compliant and removes payroll errors.

Quinyx Success Story

A North American retailer with 8900 employees and 456 locations saved over 200,000 hours/year in workforce management administration resulting in over \$1,200,000/year savings through automated and compliant scheduling. Quinyx enabled this retailer to automatically pay staff according to rates based on their respective locations - even when working across multiple sites and states.

Manual employee scheduling is inefficient...

In fact, many retailers lose hundreds of hours monthly – affecting retail managers’ productivity and stores performance. On paper, shift switching sounds like an easy task. In practice, managers often invest many hours to perfect just one week of employee schedules. Between navigating skills, vacation days, sick leaves, preferred employees’ hours, maintaining workplace compliance, and shuffling shifts around to ensure optimal business performance, schedule building is surprisingly labor-intensive!

Bad scheduling is expensive too. Without the right tools, managers end up wasting hours every week trying to create the perfect schedules. Meanwhile, employees are often deployed redundantly, resulting in overstaffing during low customer traffic times.

The first major changes in federal overtime rules in over a decade took effect on the first day of 2020 – and most businesses still have not adapted. On January 1st, 2020, 1.3 million more American workers became eligible for overtime pay under the Fair Labor Standards Act (FLSA). The new salary threshold for overtime exemption is \$684 per week (equivalent to \$35,568 per year for a full-year worker) – meaning anyone who earns less than this becomes eligible for overtime, regardless of the job.

On the other hand, due to the current labor shortage, understaffing is becoming more frequent – taking its deepest toll on your hourly employees, who often must work harder (and with more rigid schedules) to make up for the lack of labor. When retailers deploy their workforce inefficiently, it costs the business money in unnecessary payroll and can hurt employees' morale and productivity.

51%

said that they've noticed understaffing issues.

52%

said it resulted in poor customer service performance

54%

said that it resulted in longer wait times for customers





Want to automate your scheduling? Here's how Quinyx can help.

By implementing Quinyx, employees can bid on open shifts, swap with coworkers, and place their own shifts up for bid if they can no longer make a shift. They will be able to see how much they will get paid before accepting a shift, while Quinyx's best-in-class AI-powered forecasting and shift creation algorithms adhere to employee availability and skills while satisfying all pay and scheduling laws

Quinyx allows you to:

- Swiftly roll out a base schedule that's based on your business goals
- Allow shift swapping and communication between employees through our top-rated mobile app
- Have full control over compliance issues and get warnings about possible violations while you schedule

With Quinyx retail store managers see up to a 70% reduction in time spent on scheduling and staff-related admin.

Quinyx Success Story

“Quinyx helped us reduce salary cost by 6% through a more optimized schedule. This does not include the additional savings on admin time.” Large Global Supermarket chain, 10,000 employees, and 578 locations.

Managing hourly workers flirting with the gig economy

The retail hourly employees desire more flexibility in their work schedules. Often, workers must work around highly rigid schedules tied to school, parenting, or other commitments. And since food delivery and carpooling apps like Grubhub and Uber have come along, your hourly employees can find this sort of flexibility more easily than ever before.

To stay relevant, retailers need to juggle the fierce competition for talent that the gig economy has brought to the table. This has two sides:

- Hourly employees value having a say in when they work. This means streamlined communication with management, as well as easy shift-swapping with coworkers and transparent schedules, can make a difference.
- Employees expect work-related apps to function as seamlessly as apps they use in their personal lives. When employees check their schedule, clock into work, or request shift adjustments, they expect a user-friendly app experience. The days of putting up with clunky apps or archaic processes are gone.

Not to mention, last-minute schedule changes, a lack of proper tools, and frequent double and triple shifts all come across as one thing to an employee: a lack of care.

Need to stay competitive in an ever-changing job market? Here's how Quinyx can help.

Unfortunately, hourly employees are accustomed to last-minute schedule changes and poor communication about shift changes and no-shows. But they now expect more transparent scheduling and ease of communication. They also expect the apps they use at work to be as user-friendly as their favorite social media apps. Differentiating your workplace means meeting—or even exceeding—employee expectations.

And that starts with a next-gen workforce management software like Quinyx.

With our highly rated app, your employees and frontline managers experience frictionless communication with each other about work and about their schedules. Why is the app so popular you might wonder? We asked thousands of users, and they mentioned smooth shift swapping, engaging surveys, and having their daily schedule just one swipe away. What's not to love? With Quinyx you can provide your hourly employees the flexibility of a gig economy job with the stability and structure of a full-time environment.

Quinyx Success Story

Quinyx helps companies get the most out of every employee. Our clients regularly see a 30% increase in employee productivity, 12% reduction in salary costs, and a cut of over 4,000 overtime hours across a six month period.

SUMMARY

The right tool for the job

Taking a step back, the problems that retailers face, (although aggravated due to the current labor shortage) are nothing new. Some could say the pandemic simply highlighted these deep-seated issues.

Retail employees need better tools that allow them to easily communicate with managers and colleagues, pick up or swap shifts on their phones, and easily access their salary and holiday information.

Store managers need an intuitive and seamless platform that automatically takes into consideration all preferences, rules, and labor regulations to create the perfect scheduling every single time - putting a stop to inefficient and manual processes.

Head office needs tools that take the guesswork out of long-term planning by providing clear and concise insights to assess future staffing needs before they arise. Quinyx enables retailers to instantly see labor plans according to different scenarios, get staffing recommendations to hire or re-train and picture total labor costs by region and location.

The past couple of years only emphasized the need to have tools in place to solve these problems.

The right workforce management platform benefits both employees and employers while allowing businesses to be more productive and efficient. Quinyx is an all-in-one AI-powered Workforce Management software for retail - built and tailored to increase labor productivity, employee engagement, and help you achieve your retail goals.

**Need help
managing your
workforce?**



**"The Quinyx implementation went really quick. Time planning and reporting is now much more visible, fast, and secure. Quinyx easily saves us 30 hours per month."
CFO, leading global sporting goods retail chain**