



What Hourly Workers Want More than Money

HOW TO HIRE & RETAIN WHEN
YOU CAN'T AFFORD TO PAY TOP DOLLAR





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EXECUTIVE SUMMARY

Key Takeaways

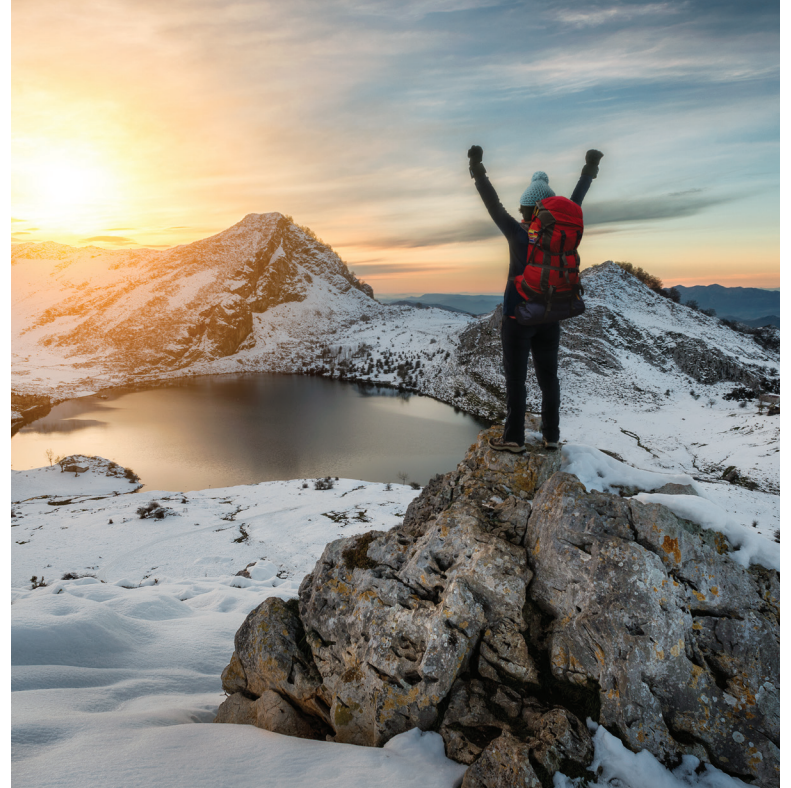
It's never been more difficult to hire hourly workers. 42% of business leaders say voluntary attrition is higher among hourly workers (*Mercer*) and, since the pandemic began, blue collar employment has declined 17% compared to a 4% decrease in white collar work (*Federal Reserve*).

Big companies are driving up wages, but there are other ways to compete for talent. Money gets workers in the door, it may not make them stay. But a good boss makes a difference. If your employees are engaged by a leader they trust, it can take a pay raise of more than 20% to poach them (*Gallup*).

Attract talented, ambitious people by giving them more control over their lives. Hourly workers want to make their daily lives and financial lives more predictable. Employers can assist by offering early access to pay, flexible scheduling, healthcare assistance, benefits where possible, and paid leave options.

Attract and retain employees by giving them a future. Whether your organization is a steppingstone or the destination, hourly workers want a sense of momentum. Employers can offer that with frequent 1:1 conversations, career and succession planning, equity & inclusion and a mobile-friendly employee experience.





The State of the *Hourly Workforce*



HOURLY WORKERS ARE HARD TO HIRE AND RETAIN

It's never been more difficult to hire hourly workers. 42% of business leaders say voluntary attrition is higher among hourly, frontline workers (*Mercer*). Lower-income workers change jobs more often than salaried employees (*SHRM*). And since the pandemic began, **blue collar employment has declined 17% compared to a 4% decrease in white collar work** (*Federal Reserve*).

WHAT'S GOING ON?

Choose your own explanation. Overly generous unemployment insurance. A childcare crisis. People are lazy. People are afraid of COVID. People don't like the vaccine mandate. People are fed up with what they perceive to be "dead-end" jobs. People are readjusting their priorities after nearly two years of pandemic anxiety. All of the above.



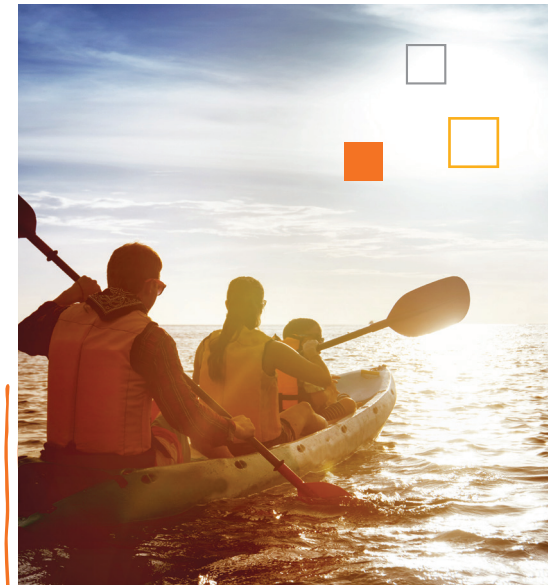


BIG COMPANIES ARE THROWING MONEY AT THE PROBLEM

Amazon is offering \$1k signing bonuses for hourly workers, McDonald's is boosting average wages up to \$15/hr., and Walmart, Costco, and Target are following suit (*WSJ*). Many cities are driving up wages too. Chicago raised the minimum wage to \$15/hr. in July 2021.

IF YOUR COMPANY CAN'T AFFORD TO PAY THE MOST, INVEST IN YOUR LEADERS

Money gets workers in the door, but it may not make them stay. However, a good boss makes a difference. **If your employees are engaged by a leader they trust, it can take a pay raise of more than 20% to poach them** (*Gallup*). A great boss can even make employees' lives outside of work better. Women with empathetic managers experienced less pandemic-related burnout and 57% of white women and 62% of women of color who feel respected and valued at work have never or rarely thought of quitting (*Catalyst*).





WHAT HOURLY WORKERS WANT MORE THAN MONEY

A 2021 survey of 15,000 blue-collar workers revealed that work schedule, company culture, opportunities for learning, training and career advancement and a general atmosphere of respect are drivers of retention that, together, can be as important or even more important than money (*Voice of the Blue-Collar Worker*).

EMPOWER LEADERS WITH HR TECHNOLOGY

Just imagine what a difference it would make if your frontline managers could confidently offer real solutions to workers' most urgent and personal concerns. If job candidates felt your company truly understood their lives and valued their commitment and loyalty, and that message was delivered by the person who would be their supervisor, it would be a game-changer. In this whitepaper, we're going to show you how to make that happen.





What Hourly Workers Want



Hourly Workers Want:

Flexible, Predictable Schedules

Hourly workers want to be able to make plans and look forward to time off.

Coming out of the pandemic, 80% of hourly workers want a better work/life balance (*Manpower*). 59% say they'd quit because of scheduling issues (*Total Retail*). And among workers who stuck with a job for 5 years or more, the #1 reason they cited for their loyalty was "I liked my work schedule" (*Voice of the Blue-Collar Worker*).

Empower your leaders with HR tech:

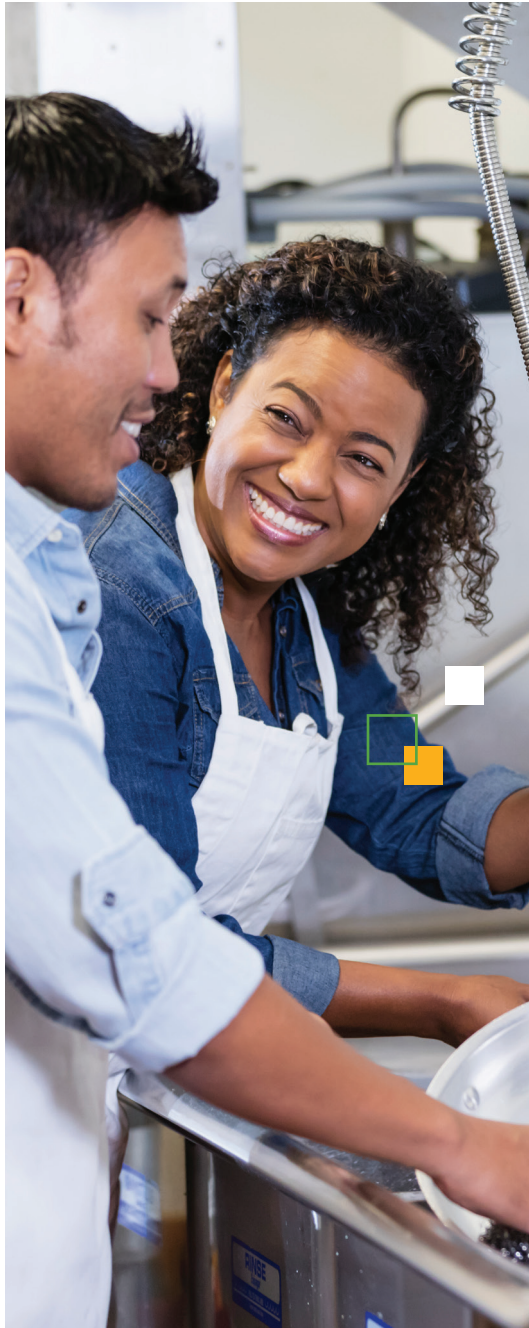
HCM software simplifies the task of figuring out how many people to hire and keep on staff. A good system will automate the building and maintaining of schedules, give managers more visibility into employee tasks, and make it easy for employees to manage their own schedules with shift-swapping and messaging tools. The best solutions also automate compliance, so managers, so managers don't need to worry about mandatory meal and rest breaks, "clopening," and other regulatory no-no's.



EMPOWER YOUR LEADERS TO SAY:

"We know your time is valuable and you have a life outside of work."





Hourly Workers Want:

Early Access to Pay

Hourly workers want financial security.

More than 125 million U.S. adults live paycheck-to-paycheck. 40% can't handle an unexpected \$400 expense without credit (*Federal Reserve*). 75% wouldn't be able to afford an unexpected \$1,000 expense (*NORC Center*). And a single \$350 payday loan can cost almost \$600 on average (*Pew Trusts*).

Empower your leaders with HR tech:

Earned Wage Access (EWA) gives employees the ability to access the money they've earned before their scheduled payday. It's a relatively new way to pay that no one was talking about two years ago. But it's an approach that's gaining in popularity. Look for a service that is low-cost to employees and zero-cost to employers. 72% of millennials and 71% of Gen Xers are more likely to be attracted to a company that "cares about their financial well-being" (*PwC*).



EMPOWER YOUR LEADERS TO SAY:

"We can get you paid when you need the money."





Hourly Workers Want:

Paid Time Off & Leave

Hourly workers want work/life balance.

95% of the highest earners in the private sector get paid sick leave, but only a third of the lowest earners do—and they need it most (*BLS*). For them, the balancing act of childcare, second jobs, part-time community college, commuting by bus, not to mention the occasional sickness, is a constant anxiety without a safety net. No surprise that **73% of hourly workers would trade an increase of \$1/hr. for an extra 5 days' time off** (*EmployBridge Survey*).

Empower your leaders with HR tech:

An automated PTO solution delivers employee leave requests to the right person, streamlines the workflow for approvals and helps managers know who's in the office and who's out with visual reports. The best systems not only automate compliance, they provide analytics to predict when leave requests will spike.



EMPOWER YOUR LEADERS TO SAY:

"You need time to recharge, take care of family, run errands. We get that."



Hourly Workers Want:

Equity & Inclusion

Hourly workers want to be themselves at work.

Does your hourly staff feel like they're part of the team? Do they feel connected to the company culture? Or do they feel expendable? Most likely, they are the face of your company, the people customers first interact with. DE&I best practices are transforming corporations—now's the perfect opportunity to take what's working in enterprise and apply it to your business.

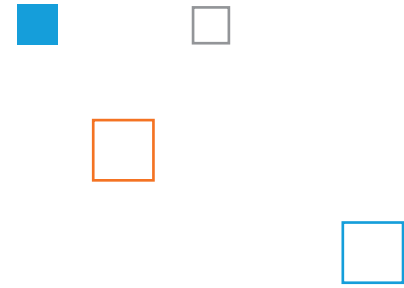
Empower your leaders with HR tech:

At minimum, make sure your key HR processes (like recruiting and onboarding) are available in non-English languages. Even better, examine the employee experience through the eyes of different populations (working parents, students, seniors, LGBTQ, etc.). For example, the best recruiting software will help you hire bilingual managers. And analytics software can help you spot trends in turnover by department, demographics (race, gender), compensation and other factors including managers.



EMPOWER YOUR LEADERS TO SAY:

"We want you to bring your whole self to work."



Hourly Workers Want:

Career Advancement

Careers aren't just for managers.

Job postings for roles that don't require college degrees included the term "career advancement" 35% more often from March through July 2021 than in the same timeframe two years ago (*Emsi Burning Glass*). Take a closer look at how you're explaining job opportunities to candidates. Many of the skills they're learning, especially in customer-facing roles, can be steppingstones to greater responsibilities or even to another role in a different industry.

But make sure your managers have career paths too!

Frontline managers will be much better career coaches if they have their own career paths. Consider investing the time for company leaders to have regular 1:1's with managers, not to talk revenue goals or strategy, but to build rapport, coach, give and receive feedback, and talk career aspirations and what it's going to take to get there.

Empower your leaders with HR tech:

Performance review software automates 1:1's to help make continuous career conversations part of company culture. The best talent solutions offer customizable templates managers can use to structure conversations and data tools to mine 1:1's for historical performance data.



EMPOWER YOUR LEADERS TO SAY:

"This isn't just a job, it's a smart career move."



Hourly Workers Want:

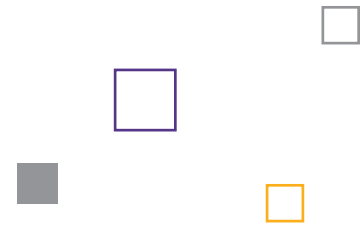
Benefits

Find a middle path.

Here are the 5 benefits part-time workers most valued: health insurance, prescription drug coverage, dental & vision, flexible spending accounts, HSAs (*IFEBP*). Many full-time workers get these benefits already, and the ACA mandates that employers of 50 or more offer health benefits to those who work at least 30 hours per week. What about hourly workers who fall through the cracks? Offer them full-time benefits and you'll reduce turnover, but you might go broke. Is there a middle path?

Talk to your healthcare broker.

Explore a Qualified Small Employer Health Reimbursement Arrangement (*QSEHRA*), which can offer employees partial reimbursement for healthcare costs (reimbursements are tax-free for employee and employer). Another option is a care membership which provides discounted access to primary, preventive, behavioral and urgent healthcare needs.



Empower your leaders with HR tech:

Benefits administration software streamlines open enrollment and gives employees decision support tools to help them make the right decisions for their circumstances.



EMPOWER YOUR LEADERS TO SAY:

"We offer benefits that will make a real difference."



Hourly Workers Want:

A “Digitally Native” Work Experience

Make mobile a centerpiece of the employee experience.

Digitally native Millennials and Gen Z’ers make up 60% of the hourly workforce. They’ve never known life without a smart phone, until they get to work. Restaurants, retail, and hospitality went all in on digital tools to communicate with customers during the pandemic, but very few invested in the same technologies for staff. That means many workers are crowding around a bulletin board in the back office to look for company news. In a competitive job market, that can make a difference: **40% of workers said they’d leave a job due to poor communication with an employer** (*BenefitsPro*).

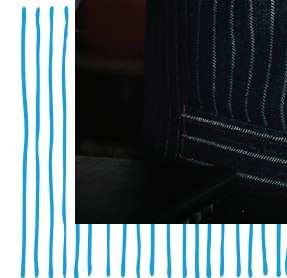
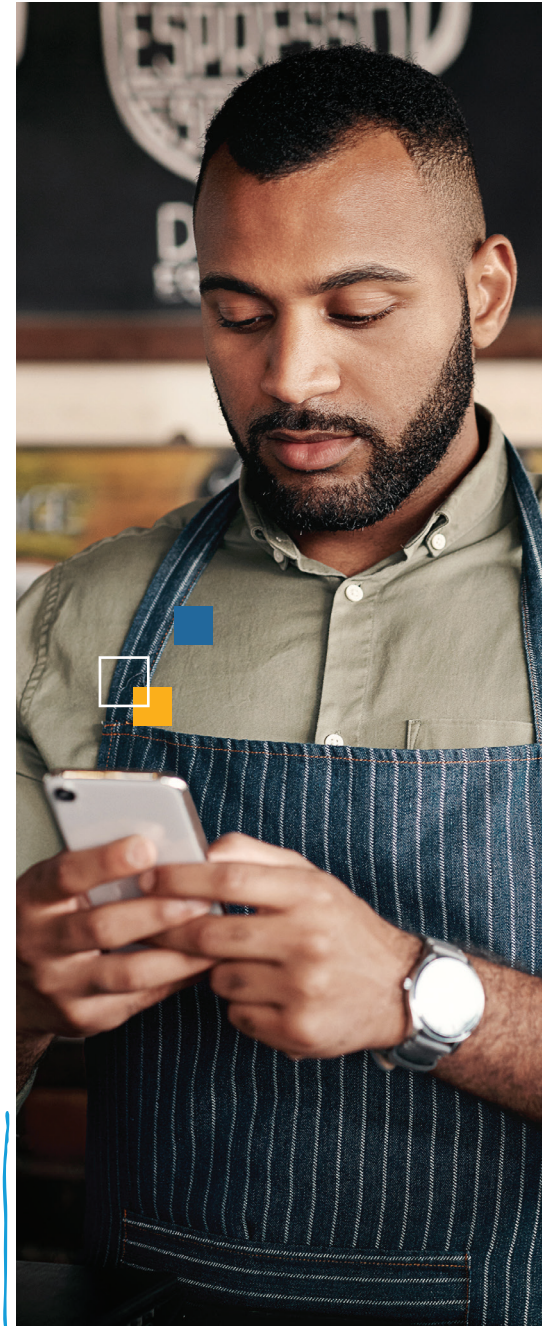
Empower your leaders with HR tech:

Look for an HR platform that delivers the entire employee experience on mobile devices. Ideally, you want to give workers a single location to view their paystubs, timecards and benefit selections. A mobile app that lets workers take actions, like request time off or update their profiles, is even better.



EMPOWER YOUR LEADERS TO SAY:

“You can do almost any HR-related task on your phone.”





About Paycor

Paycor creates Human Capital Management (HCM) software for leaders who want to make a difference. Our HCM platform modernizes every aspect of people management, from the way you recruit, onboard and develop people, to the way you pay and retain them. But what really sets us apart is our focus on business leaders. For 30 years, we've been listening to and partnering with leaders, so we know what they need: HR technology that saves time, powerful analytics that provide actionable insights and Personalized Support. That's why more than 28,000 customers trust Paycor to help them solve problems and achieve their goals.

[LEARN MORE AT PAYCOR.COM](http://www.paycor.com)

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