



# Advice from the Retail Frontline: How to Overcome the Labor Squeeze

Covered in this White Paper:

- The Labor Squeeze: Why employees keep quitting their jobs
- The 3 horizons of quitting and how to effectively address each one
- Why retaining employees is decidedly better than trying to hire
- How companies like Target, DaVita, and Ulta Beauty are winning the battle for the best employees



## Advice from the Retail Frontline: How to Overcome the Labor Squeeze

A skilled and engaged workforce is the dream team of any organization. Yet before we can get there, we have another challenge to address. And that is **labor shortage**. This has been top-of-mind for many retailers as workers quit their jobs at unprecedented rates. It's a global problem with big numbers to prove it.

- According to the U.S. Department of Labor's JOLTS report, nearly 4.5 million people quit their jobs in March 2022<sup>i</sup>.
- The Institute of Employment Studies (IES) estimates that there are currently 600,000 fewer people in the workforce than pre-pandemic<sup>ii</sup>.
- Specific to retail, the U.S. Bureau of Labor Statistics states that 719,000 workers quit their jobs in March 2022<sup>iii</sup>.

There are several drivers behind these trends. And yes, many are pandemic-related. COVID-19 has put a little fear into everyone, with health and safety becoming a major concern. This has triggered many employees to leave companies that don't have adequate safety measures in place, including health checks, remote or flexible work arrangements, and other workforce-related considerations.

It has also been said that government incentives make it easy for people to stay home rather than re-enter the workforce. While partly true, research suggests that ending unemployment incentives will have minimal impact on the worker shortage.

Forbes, citing data from BTIG's labor study, reports that "only 3% of individuals were earning enough from unemployment such that they had no financial need to return to work."<sup>iv</sup> The study also found that work flexibility was "the primary motivator" to get people to return to their hourly wage position after good pay and benefits.

Another factor that drives labor shortage alongside "the great resignation" is "the great retirement."<sup>v</sup> While Baby Boomers are now retiring early<sup>vi</sup>, the next generations comprise smaller populations, leaving huge gaps in company positions across departments.

Regardless of the reasons for the current labor shortage, one thing is clear. Left unaddressed, these labor squeeze issues could spell disaster for employers. Your frontline is, after all, your most valuable asset - perhaps even more so than your product or service. And let's not forget that in many industries, your workforce is the face of your brand. They're the ones dealing directly with customers. So, ensuring that your frontline is happy, feels valued, and has what they need to do their job efficiently, is paramount to providing a great customer experience. Ultimately, this leads to brand loyalty.

So, how can companies address the labor squeeze?

Before you start thinking about employee recruitment strategies, hear us out. Focusing on worker retention is far more valuable and cost-effective - today and in the long run.



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While it's essential to ensure that a company is attractive to prospective employees, keeping the workers you already have will enable you to navigate the labor squeeze from a stronger position.

An excellent place to start is by evaluating your corporate culture and employee retention practices. It's also important to analyze your turnover data and determine when people choose to leave. Data is power, and leveraging your information on this will help drive your retention strategies.

Generally speaking, employee turnover has three horizons:



**Horizon #1:** Pre-day 1 - You've seen it happen. "New hires" often quit before they even start. Why do you think that is? And how can you shorten the time between offer acceptance and start date?

**Horizon #2:** First 90 days - The "learning curve" can be challenging for new employees. Navigating their new role, learning about your processes, and feeling like "the new kid on the block" is a lot to take on. How can you make it easier? What do they need to help them get started right away?

**Horizon #3:** Ongoing retention - Once employees move past the first 90 days and enter the third horizon, the goal for you is to keep them motivated and connected to your company. How can you keep them engaged? How do you make them feel valued so that they want to stay with you for years to come?

The right retention plan addresses each of these challenges. The following strategies and tactics will help you to maximize worker retention at each horizon.

### First horizon: Pre-day 1

Bringing a new employee onboard starts with them accepting your employment offer. Once a candidate agrees to work at your store location, there's usually a delay between the day they accept the offer and their official start date.

Realistically, a lot can happen within that period. The candidate could get a better offer. They may approach their current employer to renegotiate their contract and decide not to leave their job after all. Or perhaps they simply had a change of heart.

Regardless of the reason, having someone rescind their job acceptance can be a frustrating experience for employers. You've invested time and money to find and vet a candidate, and having someone back out at the last minute can derail your plans. Which, of course, leads to more time and energy and additional spending on your part.

This is why it's important to eliminate as much as possible the lag between offer acceptance and the employee's first day on the job. When a candidate accepts an offer, aim to get them up and running as quickly as possible – ideally within a few days. You can do this by streamlining the processes required to get employees set up before their first day. Start by digitizing tasks,



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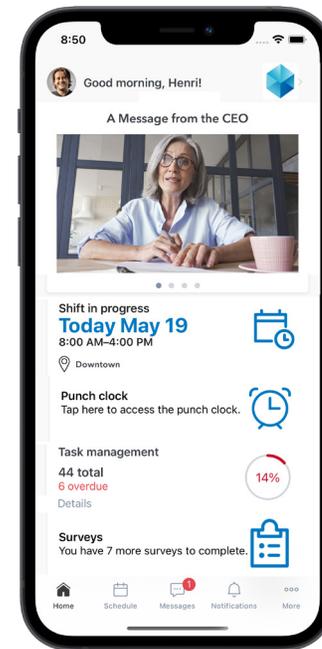
including sending and signing contracts. You can cut down on time spent managing paperwork by storing and sharing documents in the cloud and ensuring that employees can quickly and easily find what they need.

You could also reduce the number of hoops that new employees have to jump through when they first start. Several workplaces, for example, require employees to create a company email account and take several other steps before they can start using the tools they need on the job. By eliminating these bottlenecks, you can get employees up and running faster.

One solution that addresses all of these barriers is to use a digital frontline workplace such as WorkJam, which doesn't require employees to use a company email – or even a personal email account. With WorkJam, you can assign login details to new employees so they can immediately start using the app straight from their smartphone or other personal device.

**Target** did just that when management realized that many new hires were leaving before they even started working at the company.

To address this issue, Target leveraged WorkJam to equip new team members with the necessary tools they needed to get started right away. Once someone accepts an offer, Target now sets them up with a WorkJam account, giving



them everything they need to get started. WorkJam can be launched right from employees' personal devices, allowing them to readily access the tools and information they need to hit the ground running from day one.

Because of WorkJam's digital workplace experience, Target's process of setting up new employees can now be completed in days instead of weeks. Through WorkJam, the company was able to reduce the gap between offer acceptance and the employee's first day, minimizing the likelihood of new hires withdrawing their candidacy.

### Second horizon: First 90 days

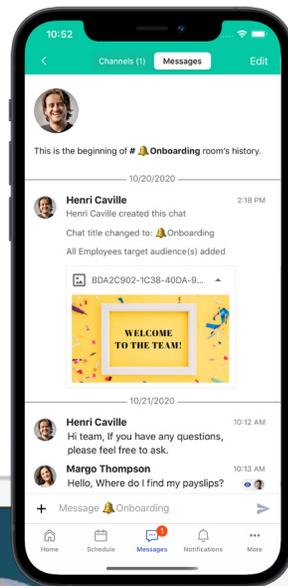
Once you've gotten employees through the door, the next step is to ensure they stay. The first 90 days are crucial because this is the period when employees get to know your work environment and get a good feel for the job and your corporate culture. Ensuring a happy experience during this period can shape their perception of your company, which then influences their decision of whether to keep working for you or not.



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Studies have shown<sup>vii</sup> that about one in five employees who start a new job leave within the first 90 days. There are several reasons for this, ranging from the absence of proper education and onboarding to interpersonal conflict or simply a lack of connection with the rest of the team.

Most of these issues can be resolved with the help of a digital frontline workplace. On the employee learning and onboarding side, an app like WorkJam lets you host all the resources that new employees need in one easy-to-find place. This could include HR docs, orientation material, on-demand learning, and other media, including videos and how-to guides. This is particularly important during the first 90 days when employees are getting comfortable in



their new role. While workers are still on the learning curve, minimizing confusion and making things as simple as possible is critical. In doing so, you'll help them feel at ease faster while enabling them to perform at a higher level from the start.

As far as interpersonal relationships go, most conflicts can be avoided with the right communication tools. Simply reaching out and showing your approachability to new employees can go a long way in helping them feel welcomed into the organization.

It's also important to ensure that questions are answered promptly. This can help new hires feel more comfortable and capable, especially during their early days of employment with your company.

WorkJam's communication tools have proven to serve well during this period. Our instant messaging functionality lets employees touch base with each other, so messages or questions can be sent and responded to promptly. WorkJam also offers channels, which are chatrooms dedicated to specific topics. You can, for instance, have a channel dedicated to a location (e.g., London Store) or a subject matter (e.g., Merchandising).

These tools remove confusion and add clarity as new hires look for the information they need while communicating with colleagues. If a new employee has a question, they can reach out to the appropriate person directly or send a query through a specific channel.



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The healthcare company Davita serves as a great example of how to implement strong retention practices during the first 90 days of a person's hire. To reduce turnover during this period, Davita uses WorkJam as a repository of information for everything new employees may need. HR documents and learning material can be accessed through WorkJam, enabling new hires to get their hands on the resources they need when they need them.

Davita has also set up its communication platform using WorkJam, so team members can tap into tools such as direct messaging and channels whenever they have questions or need to interface with their colleagues.

To promote stronger interpersonal relationships, Davita has implemented a buddy system that pairs new hires with seasoned employees. Employees who are just starting are introduced to someone who can mentor them and serve as a resource for questions or concerns.

### Third horizon: Ongoing retention

Past the 90-day mark, the challenge becomes less about making employees feel welcome and more about maintaining a solid relationship on an ongoing and long-term basis.

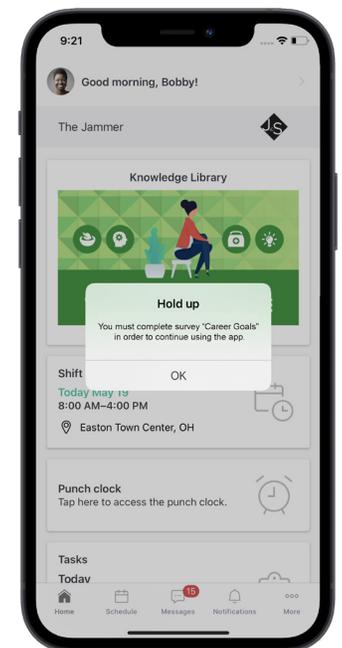
The right long-term retention strategy will vary, as every team is different. That's why one of the best ways to figure out how to keep employees engaged is by conducting polls and

surveys. If you're wondering how you can enhance your team's work lives, there's no better way to find out than by simply asking them. The answers and feedback from your team will then help you put the right strategy in place.

Learning and development (L&D) is another critical component of employee retention. Giving your team members a clear growth path gives them a compelling reason to stick around.

Paving that path starts by discovering each employee's career goals. What are they interested in pursuing? Where do they see themselves in three to five years or longer? Once again, surveys and questionnaires come in handy here. Based on each employee's answers, you can then provide them with the learning material they need to help them upskill within your organization.

WorkJam makes these processes incredibly simple. Workers can participate in polls and surveys right from the WorkJam app on their devices. They can also unlock the learning material that's relevant





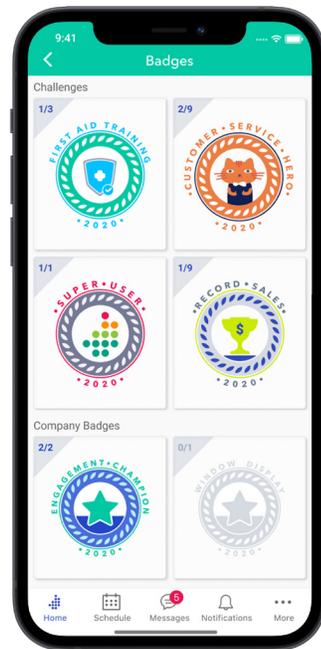
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to their needs and goals. WorkJam Employee Learning can be consumed on your team's mobile device, making the learning process more convenient. With mobile-friendly learning, frontline workers – who are usually on their feet – can consume learning material even when they're not in a classroom or in front of a computer.

In addition, WorkJam gamifies the learning experience by letting workers earn badges whenever they complete their coursework. These badges can then be used to unlock additional shifts. We hope by now that you're seeing how WorkJam modules all work together to create one comprehensive workplace for your frontline.

For instance, an employee who wants to move up in the merchandising department can take a course on that topic and earn the right badge, making them eligible for merchandising-related shifts.

The cosmetics retailer Ulta Beauty does a tremendous job with ongoing retention. The company uses WorkJam to regularly send surveys. It also uses the platform's microlearning features



– i.e., short, educational learning sessions – making it easy for its employees to gain the knowledge and skills they need to level up within the organization. And what a great incentive to want to stay long-term!

What's more, Ulta strives to keep frontline workers connected to the company by filming video updates straight from the CEO herself. Since frontline workers tend to feel disconnected from HQ and leadership, these videos have been instrumental in communicating that the company values all its team members.

In addition to providing a learning environment and means of communication, you can retain more employees by giving them the tools they need to work smarter and better. Most employees crave flexibility. A primary factor in the 'great resignation' is the disconnect between personal/family/work balance. You can quickly address this need with WorkJam's Open Shift Marketplace.

[WorkJam's Open Shift Marketplace \(OSM\)](#) enables you to provide that flexibility. OSM allows employers to crowdsource internal resources by broadcasting available shifts to the internal workforce. WorkJam automatically filters the marketplace for each employee, so workers only see shifts and tasks for which they are qualified. Open Shift Marketplace makes it easy for employees to pick up and swap shifts so that they can set their schedules with a minimal back-and-forth with their manager and colleagues.



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Aside from flexibility, helping employees ease their financial burdens can also improve retention. [WorkJam's ExpressPay](#) module helps you do just that. With ExpressPay, workers can access the funds they've already earned without having to wait for their next official payday.

Unlike payday loans or advance pay apps, ExpressPay serves as an employer-sanctioned solution that doesn't charge fees to employees. ExpressPay minimizes workers' financial concerns, allowing them to be more productive and serve customers better. These benefits can be felt on a day-to-day basis and over the long term.

Lastly, employers can vastly improve employee retention by looking out for their health and safety. Pandemic-related concerns continue to plague employees, which is why practices, including conducting regular [health checks](#) and implementing contactless technology, will go a long way in making workers feel safe.

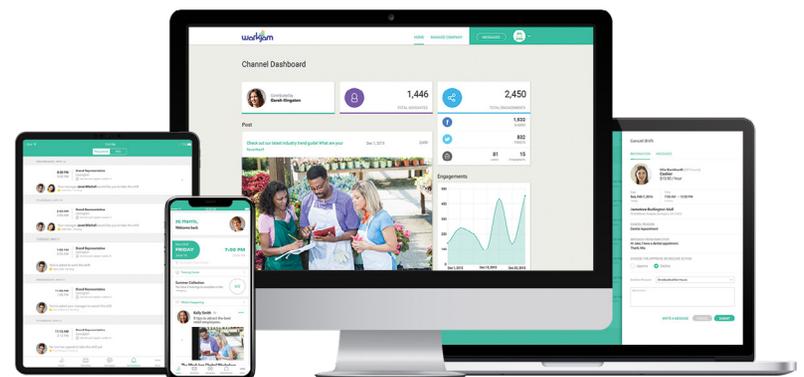
WorkJam, once again, can be of help here. Thanks to features like time clocks and shift management, employees can sign in at work without having to use a shared physical time clock. Plus, WorkJam digitizes various types of paperwork, reducing the need to physically handle documents. These features create a strong sense of safety and well-being for your frontline.

### Successfully navigating the labor squeeze starts with employee retention

Retailers won't overcome the labor squeeze if they continuously suffer from high employee turnover. In today's competitive labor market, it's critical to retain as much of your workforce as possible. This benefits both the organization and employees.

[WorkJam](#) has the solutions to enable you to do just that. From learning and communication features to tools that provide workers with flexibility with their time and finances, our digital frontline workplace has everything your frontline needs to level up their work lives.

To learn more about how you can WorkJam your frontline, [we invite you to discover](#) how businesses like Target, Davita, and Ulta Beauty have partnered with WorkJam to manage and empower their frontlines and achieve an ROI of 410%.



## Sources

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<sup>i</sup> <https://www.bls.gov/news.release/pdf/jolts.pdf>

<sup>ii</sup> <https://www.employment-studies.co.uk/resource/labour-market-statistics-january-2022>

<sup>iii</sup> [https://www.bls.gov/news.release/jolts.t04.htm#jolts\\_table4.f.2](https://www.bls.gov/news.release/jolts.t04.htm#jolts_table4.f.2)

<sup>iv</sup> <https://www.forbes.com/sites/tomspiggle/2021/07/08/what-does-a-worker-want-what-the-labor-shortage-really-tells-us/?sh=6c37f3fd539d>

<sup>v</sup> <https://hbr.org/2022/03/the-great-resignation-didnt-start-with-the-pandemic>

<sup>vi</sup> <https://www.gspublishing.com/content/research/en/reports/2021/11/12/4f72d573-c573-4c4b-8812-1d32ce3b973e.html>

<sup>vii</sup> <https://www.gnapartners.com/resources/articles/why-an-employees-first-90-days-are-make-or-break>



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For more information on WorkJam or how to revolutionize your frontline workplace and create happy, engaged employees for higher productivity, contact us today at [sales@workjam.com](mailto:sales@workjam.com)

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