

# BEYOND the Great Resignation



**New Solutions for Blue-Collar  
Recruiting and Retention**



**EMPLOYBRIDGE®**

# GOING BEYOND THE GREAT RESIGNATION

In 2022, 77% of workers say they are somewhat, very, or extremely satisfied with their current job. Yet 43% of those same workers say they are actively looking for a new job.

How can both be true? What's going on - and what can employers do to recruit as the Great Resignation lingers?

Both responses came from the Voice of the Blue-Collar Worker survey of approximately 19,500 workers across a range of industries including light manufacturing, warehouse, logistics and supply chain, contact centers and more. The results are echoed by others.

The Pew Research Center noted that “The nation’s ‘quit rate’ reached a 20-year high last November,”<sup>1</sup> while in August 2022 the term “quiet quitting” gained buzz to describe those who mentally checked out, if not officially resigning. When PwC asked the intentions of more than 52,000 workers in 44 countries and territories in March 2022, they found that a fifth of workers globally plan to quit this year<sup>2</sup>.

All of this means two things for employers:

- 1. Attracting workers will continue to be challenging.**
- 2. Keeping valued workers remains vitally important.**

Even as the “Great Resignation” continues, what blue-collar workers want is clear. VBCW respondents ranked their top factors when considering a job to be pay, shift/schedule, and job security, in that order. Yet, like so much else that changed amid the pandemic, what each of these factors means to blue-collar workers is undergoing a significant shift.

To succeed in solving today’s workforce challenges, employers must go beyond old mindsets as well.

PRIORITY	WHAT BLUE-COLLAR WORKERS WANT
1	 Pay
2	 Shift & Schedule
3	 Job Security

**EVEN AS THE “GREAT RESIGNATION”  
CONTINUES, WHAT BLUE-COLLAR  
WORKERS WANT IS CLEAR.**



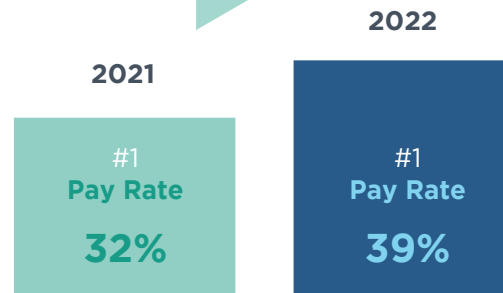




# Total Compensation: GOING BEYOND PAY RATE

## What does it mean to “go beyond” pay rate?

It does not mean to sidestep it; pay rate is the top factor for 39% of VBCW respondents this year, up from 32% in 2021. However, the old days of simply ensuring your pay rates are competitive in your local market fall short in today’s social and business climate. Significant compensation packages offered by the retail, fast food and gig sectors mean the competition has extended beyond a company’s given industry. They now must be competitive across multiple industries to attract and retain the best talent.



Even if an organization has increased wages over the past two years or in recent months, inflation has outstripped pay. In August 2022, average hourly earnings increased 0.3% for the month and 5.2% from a year ago<sup>3</sup>, yet inflation is close to its fastest pace in more than 40 years<sup>4</sup>. Overall, pressure remains on workers, who continue to need increases to maintain a living wage.

More than that, in this empowered employee era, what workers want is evolving. **Today’s blue-collar workforce is looking beyond just pay to total compensation**, an approach long accepted as standard among white collar workforces.

For the first time, when asked what else can earn your loyalty (other than raising pay), respondents’ top five write-in requests included healthcare and retirement programs. Fifteen percent said, “provide a 401k,” while 13% said, “provide health insurance contribution.”

## OTHER THAN PAY, WHAT EARNS YOUR LOYALTY?

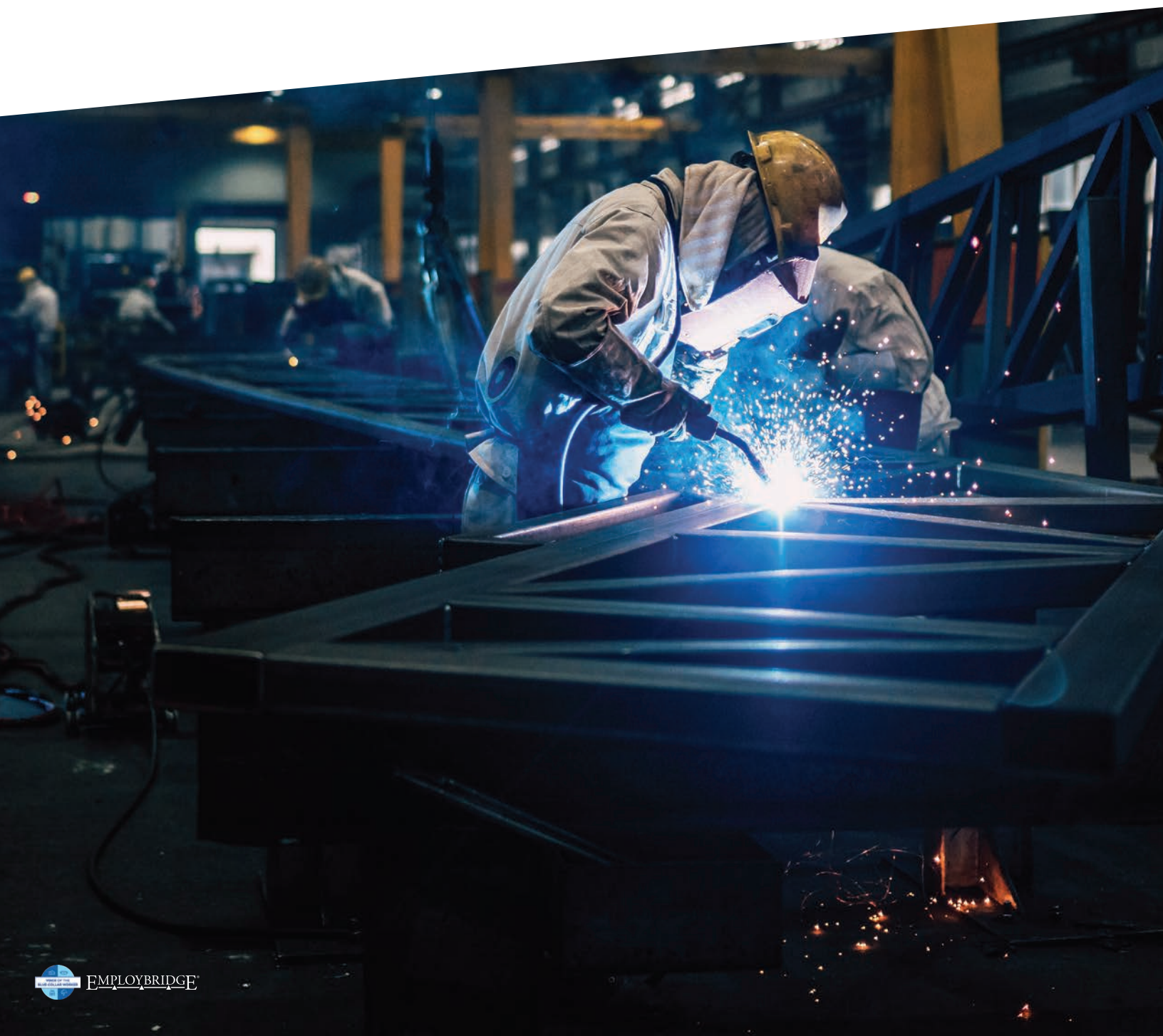
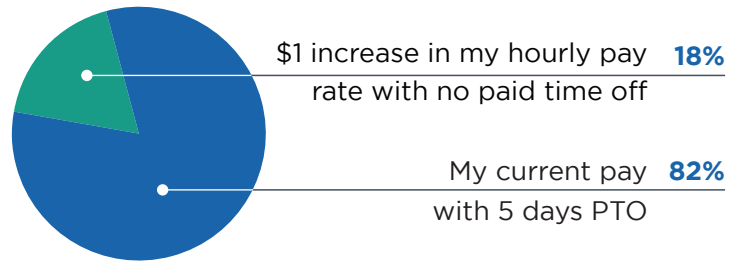
Advancement opportunity	20%
Flexible work schedule	15%
<b>Provide 401(k)</b>	<b>15%</b>
<b>Provide health insurance contribution</b>	<b>13%</b>
Understand I have obligations outside work	10%

**These types of benefits reflect a view to the future, looking beyond hourly rate to their ability to better afford healthcare and a retirement.** It may be that this would factor into a long-term approach to staying with an employer who was helping them build toward these goals.

It’s not surprising to see desire for healthcare benefits rising to the top, as healthcare costs have been taking a bite out of paychecks. According to the *Peterson KFF Healthcare Tracker*, “The share of the gross domestic product (GDP) devoted to health care reached 19.7% in 2020, an uptick from prior years. While the pandemic drove increases in total health spending in 2020, GDP declined 2.2% that year.”<sup>5</sup>

These shifts to looking at compensation factors other than pure pay rate also were reflected in the answers to a hypothetical choice: Which would you prefer, 5 days paid time off or a \$1/hour raise?

A whopping 82% chose the days off. Since the average per hourly rate among workers surveyed is \$17/hour, **employers who provided the desired week off would actually spend less to offer this benefit** (\$680 for the 40 hours of PTO compared to \$2,080 more pay per year) - while giving workers what they value most.



# THE “GO-BEYOND” COMPENSATION SOLUTION:

Approach blue-collar workers the way you do exempt employees – with a package that includes not only base pay (wages) but total compensation benefits that empower them to address key threats to their long-term financial wellness.

## LEAD, DON'T FOLLOW

- Lead, don't follow, on pay rates. Monitor the consumer price index in your region and factor this into your wage planning.
- Large employers, especially, may be able to tap economies of scale to create programs where they contribute to healthcare benefits and retirement offerings.
- In turn, these can empower the preventive approaches that ultimately reduce sick days and major illnesses.
- Similarly, building loyalty-based retirement incentives – such as those that increase based on years of service -- can differentiate your company, help drive retention, and sustain positive morale.
- Survey your workforce to find out what they want most. As the VBCW data reveals, the most desired benefits are not always the most expensive for employers.
- Perception matters. Not only offer competitive compensation solutions but be sure to regularly communicate clearly about them, noting the ways your offerings exceed your region or industry's.

### Employer Innovation:

*What are you offering (beyond higher pay rates) to remain competitive in hiring and retention?*

## GOING BEYOND - IN ACTION

“ Our package is very competitive, including **free insurance** in some tiers, **vacation** and **sick time, holidays**, discounts and more. All associates also receive **annual bonuses** and **merit increases**. ”

- Account Manager  
Publicly-traded footwear designer and distributor



# Schedule Flexibility: GOING BEYOND RIGID SHIFTS & HOURS

Companies have always needed to build schedules to meet their service level agreements and maintain output delivery to clients, often including keeping plants running 24/7. It gains efficiencies, ensures steady output, and may even allow manufacturers to save energy costs by operating off-peak. BUT today's workforce is increasingly reluctant to work later shifts.

When the VBCW asked workers, "Which shift do you prefer?" 70% chose the first shift (daytime). All other shifts lagged far behind, with second shift (evenings) chosen by 16%, the third shift (overnight) by 12%, and weekends by only 2%. When seeking a new job, this year's VBCW shows that issues around shift and schedule are the #3 factor for candidates.

### WHICH SHIFT DO YOU PREFER?



While shift and schedule have always been important to blue-collar workers, for many, the pandemic increased the schedule pressures they faced. As workforces shrank (and in certain verticals and product lines, demand increased), burnout among the remaining, reduced workforce, fueled the "Great Resignation" and drove stronger pushback against rigid schedules.

**The COVID-19 pandemic also forced an unprecedented overlap of people's professional and personal lives; being able to accommodate family needs has become critical to workers.** This resonated with VBCW participants. For the past two years, when asked, "Besides raising pay, what can employers do to earn your loyalty?" the answer, "Understand that I have obligations outside of work," has been a top four response.

"The first thing employers should do," Gartner's Brian Knapp told *Tech Republic* in 2021, "Is to eliminate as much uncertainty as possible about the rules for flexible work hours. One thing you can do right now to minimize the risk of turnover is to be very clear about flexibility. And if you're not offering flexibility, you'll have a turnover problem."<sup>6</sup>

**This is all about respect, workers are looking for a sense they are valued and shift flexibility is a key part of it.**

Likely the pandemic hastened and deepened a marked preference, especially among younger workers, for better personal work/life balance. Change has been coming, but today, new approaches to shift and schedule can truly differentiate employers in a job market in which job openings are outnumbering available workers by nearly 2-1.<sup>7</sup>



To meet these needs, employers today must look beyond traditional ways to look at schedules. Flex options and parent shifts can be among the ideas to consider.

A survey of 40 manufacturers found signs this shift was already underway in 2021: “Some employers are offering scheduling flexibility: 17 percent of responding employers are not requiring new hires to work a full-time schedule and 22 percent are offering leeway with the exact start and end times for a workday.”<sup>8</sup>

**Offering higher pay is essential to filling the less-desired shifts.** In 2022, we saw the shift differential rise \$0.55 to \$2.03. Female workers, an important resource in a tight job market, rank shift/schedule even more highly than male workers. It is the second most important factor, behind pay when considering a job. And for women the shift differential is \$2.07.





# THE “GO-BEYOND” SCHEDULING SOLUTION:

The years from 2020-2023 saw historic shifts in the way workers view the social contract with employers. Employers must quickly adapt to a new paradigm in which workers value their own definition of work/life balance and are willing to leave or change jobs to achieve it.

## OFFER CHOICES

- Eliminate attendance point system. Unpopular with employees, the system is often viewed as punitive. Employers must balance attendance accountability with trusting employees in order to retain high performers.
- Offer choice whenever possible. Flexible schedules allow workers to bring in extra income from second jobs or to commit to family, church, sports, travel, community service -- or other priorities that enrich their lives.
- Incentivize late shifts. Offer at least \$2/hour more for second or third shifts. This incentive is critical when persuading workers who prefer first shift to consider joining or staying on an off shift. Consider other motivators, too, such as a faster accrual of higher education tuition contributions or training credits or a boost in the percentage contributed to any childcare or transportation subsidies.
- Increase the flexibility of your approach to time off, sick leave, etc. and be sure to communicate respect for the whole person, that they have responsibilities aside from their job.

### Employer Innovation:

*How does your company offer scheduling flexibility for employees? What programs resonate?*

## GOING BEYOND - IN ACTION

One customer noted the difficulty of offering flex schedules in automotive manufacturing due to running production lines. However, after more than a decade they are transitioning to consistent, defined shifts at the request of team members.

“ We are also looking at a **mini-shift** and/or having **extra team members to allow the flexibility for some to work eight-hour shifts instead of 12 hours**. That would also give us the ability to **schedule some out on Saturdays** as well. ”

Eddie Mabe - Senior Manager, HR and Administration  
Hyundai Transys



# Employee Investment: GOING BEYOND JOB SECURITY

Job security is another concept in need of an update. At the minimum, it involves being able to count on a job, not feeling at risk of being cut suddenly whenever profits lag. **Security is a sense of “being taken care of” even through ups and downs of the economy over time.**

Today’s employers face post pandemic brain drain. Some 3 million workers aged 50-64 retired during the pandemic while COVID deaths took the lives of 160,964 aged 50-64 – many of whom would likely still be in the workforce today.<sup>9</sup> Overall, the need to build the workforce of tomorrow is perhaps sooner than expected.

Amid these demographic changes, a new definition of job security is emerging.

Job security again remains a key priority for workers looking for a new job. Twelve percent of combined, total respondents this year said job security was their second-highest priority when seeking a new job. Pay rate was the highest priority. Yet workers want more than just a feeling that their job is secure; they want to see a clear, feasible and appealing future with their employer.

**Workers want more than just a feeling that their job is secure; they want to see a clear, feasible, and appealing future with their employer.**

**This year’s number one response to “Besides raising pay, what can employers do to earn your loyalty?” was “offer advancement opportunities” (20%).** This is a trend that has been growing.

- #2 (tie) Flexible work schedule (15%)
- #2 (tie) Provide 401(k) (15%)
- #4 Provide health insurance contribution (13%)

**Amid the great resignation, workers are looking for employers that invest their employees.**

It is vital to offer and communicate about career paths, training opportunities, upskilling and investments in employees. Also highlight employee development and demonstrate examples of people being promoted from within.

**The end game is a sense of being valued. Consistent internal communication is vital.**

If workers don't hear from leadership, they will fill the void in their head with negative assumptions. Communicating clearly and often about the state of the business will allay concerns. If there are reasons to be concerned, be upfront and candid. Importantly, be "out in front" of the messaging to avoid rumors and speculation. This would also contribute to a strong company culture.

No company is completely immune to market fluctuations or challenges, but workers need to feel confident their company is going in the right direction and can weather downturns and keep workers employed.





# THE “GO-BEYOND” JOB SECURITY SOLUTION:

The timeline for building the workforce of the future has condensed, especially following the pandemic-driven loss of older workers.

## PERCEPTION MATTERS

- Commit to employer branding with a clear message aligned to what workers want.
- Share news of company successes and the value of workers to these achievements.
- Examine and ensure adequate career paths and opportunities exist within your company.
- Communicate career paths and advancement opportunities for various types of workers. Repeat and emphasize these regularly.

### Employer Innovation:

*How does your company promote a sense of job security or convey a clear career path for growth?*

## GOING BEYOND - IN ACTION

“ We **discuss career growth with a development plan** for those associates who want to continue their journey outside of their current role. For those who want to stay in their current role, we **discuss growth within that area**. We also welcome all our associates to **apply for our open positions**. We always **consider internal candidates first**, and if they aren't prepared to take on that role, we **put a plan in place for future roles**. ”

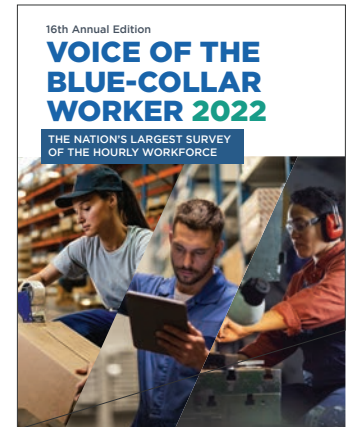
- Account Manager  
Publicly-traded footwear designer and distributor

# WANT TO GO DEEPER?

As employers seek workforce solutions that work in this new dynamic, the data and insights available in resources like the annual Voice of the Blue-Collar Worker can help. By sharing these insights into what workers want, as well as effective strategies clients are using, we aim to empower employers to build resilient workforces to achieve their goals.

[Read the full 2022 Voice of the Blue-Collar Worker Report.](#)

[Contact EmployBridge today](#) for more detailed information and fresh ideas for staffing support to address your opportunities or needs.



## EMPLOYBRIDGE®



### Sources

- <sup>1</sup> Pew Research, "[Majority of workers who quit a job in 2021 cite low pay, no opportunities for advancement, feeling disrespected.](#)" by Kim Parker and Juliana Menasce Horowitz, March 9, 2022.
- <sup>2</sup> [Global Workforce Hopes and Fears Survey 2022](#), PWC.
- <sup>3</sup> Bureau of Labor Statistics, "[Employment Situation Summary](#)," September 2, 2022.
- <sup>4</sup> Bureau of Labor Statistics, "[Consumer Price Index Summary](#)," August 10, 2022.
- <sup>5</sup> [Peterson KFF Healthcare Tracker](#), By Nisha Kurani, Jared Ortaliza, Emma Wager Twitter, Lucas Fox, and Krutika Amin, February 25, 2022.
- <sup>6</sup> "[The Great Resignation of 2021: Are 30% of workers really going to quit?](#)" Tech Republic, by Veronica Combs, May 25, 2021.
- <sup>7</sup> BLS, "[Job Openings and Labor Turnover Summary](#)."
- <sup>8</sup> Ogletree Deakins, "[Manufacturing During a Labor Shortage: How Manufacturers Have Been Innovating on Ways to Attract New Employees](#)," by Bernard J. Bobber, August 22, 2021
- <sup>9</sup> Demographic Trends of COVID-19 cases and deaths in the US reported to CDC <https://covid.cdc.gov/covid-data-tracker/#demographics>