



How Employee Engagement is Shaping Modern HR Management

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Overview

Everyone from HR executives to frontline managers understands the value of having highly engaged workers. **Gallup's** recent **State of Global Workforce** report, citing 17 percent higher productivity and 21 percent higher profitability attest to the value of high employee engagement levels.

Yet, very few organisations are doing it well.

This paper will delve into the reasons behind low employee engagement levels and provide actionable insights to help you boost engagement within your organisation. Special focus will be given to the rise of the gig economy and how you can leverage today's 'casual workers' in ways that benefit both employer and employee.

Know the Modern Workforce

The **Corporate Leadership Council** studied the engagement level of 50,000 employees around the world to determine the direct impact of employee engagement on both performance and retention.

The results showed that companies with high employee engagement levels were able to grow profits three times faster than their competitors.

Highly engaged employees also proved **87 percent** more likely to stay with the organisation.

Yet, very few organisations are doing a good job at managing employee engagement. The fact is, says Gallup, only 15 percent of employees worldwide are engaged at their jobs. Moreover, the lack of employee engagement seems to have little relation to quality of life. We see this reflected in the UK, Europe and ANZ, where people have relatively high 'life happiness' scores but very low employee engagement scores.



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State of the Global Workforce

Aside from the globalisation of product and labor markets, Gallup calls out three specific factors that can explain low employee engagement scores:

- 1 **The rise of the gig economy**
- 2 **Younger workers' unique expectations**
- 3 **Organisations' slow adoption of relevant information technology**

So much of the modern workforce is made up of millennials and younger workers, many of whom are characterized as 'gig economy workers' or 'casual workers.' Increasingly complex socioeconomic and political models have led to this increase and cover a number of skilled and unskilled labour as well as a range of demographically different identities and organizational types.

These people have become accustomed to blending technology into practically every aspect of their lives – travel, work, dating, dinner delivery and more. The underlying goal behind all this technology usage is convenience, fun and engagement with others.

Gig economy workers tend to draw few lines between the various aspects of their lives. The way they behave, interact with others and use technology is a constant. As such, they expect

employers to deliver on that lifestyle – leveraging the same underlying technologies that people use in their personal lives.

The fact is, employers are failing to deliver on these expectations of casual workers, and so employee engagement levels remain appallingly low.

For those few employers who apply technology to make casual workers' work life easier and more aligned to their personal lives and values, workers become more engaged. Therefore, there is a strong correlation between the employee experience (EX) and their level of happiness.

Since happy employees typically deliver a better customer experience (CX), one can clearly recognise how delivering strong EX equates to reaching employers' ultimate goal of a consistently strong CX.

The ANZ scores in Gallup's 2017 State of the Global Workforce report ¹

 14% Engaged

 71% Not engaged

 15% Actively disengaged

Gallup finds that workers in the region have lackluster employee engagement scores,

1. State of the Global Workforce, 2017 Gallup, Inc.

"If employee engagement yields such strong payback, why are so few organisations doing it well?"



Defining Employee Experience in 2020

Thanks to advances in the available technology that can enhance employees' work and personal lives, the definition of a good EX has changed dramatically in recent years. At a high level, organisations must support the employee's daily journey: According to a 2018 PwC study of 12,000 workers, a subpar employee experience can have a ripple effect across the organisation, shaping everything from how engaged people are to their enthusiasm for delivering a superior customer experience.

Technology empowers people to both gain control and make decisions regarding their availability and relationship with their employer(s).

The PwC study points to technology as the key driving force to make that happen: "When you don't have a clear and accurate understanding of how your people use technology in their jobs, and what they need and want from those tools, their overall experience at work can suffer. So what do your employees really want from the tech they use on the job? From choosing devices, to picking apps, to opting for voice over text, employees look for options that help them do their best work."

Defining Gig Economy Workers, Their Needs and Their Expectations



The gig economy is powered by a stand-up workforce in which people work to a variable schedule, driven by day-to-day demand. The top controllable cost of the gig economy is labour. Due to the daily must-have needs of companies relying on gig economy workers (think of an event, like a concert, that must be staffed for one day only), operational/employee demands stand in sharp contrast to those in industries like manufacturing where certain elements are not necessarily 'today's must-have needs.'

In recent years, a growing number of people are working in 'demand-driven' positions. As demands change and new business models emerge, entire industries are being thrown into upheaval. So, people no longer work for the same employer for decades. That is simply unrealistic when certain market sectors suddenly surge (i.e. Home Healthcare, Events, Hospitality and Retail) others bottom out (e.g. brick-and-mortar Retail, Manufacturing in developed economies, etc.).

Young people have always had greater job mobility than older workers. Four decades ago (1975) the tenure of Under 25's per job was the same as today: 1 year and 8 months, on average. However, what has changed a lot is that, back

Job tenure by age group in Australia today



AGE GROUP AVERAGE JOB TENURE

U25	1 year 8 months
25-35	2 years 8 months
35-44	4 years
45+	6 years 8 months

Average 3 years 4 months

Source: HILDA, Department of Employment

then, workers aged over 45 averaged almost 10 years per job, while today for this age group it is 6 years and 8 months. In 1975, just 8% of those aged 55+ stayed less than a year, while today, it is nearly twice that at 15%.

In Australia four decades ago, just 1 in 10 workers was employed on a part-time basis. Today it is more than 3 in 10. In the US, 58.8% of workers are paid hourly. (Bureau of Labor Statistics 2019 and specialists believe that Europe and Australia will follow this lead.

Interestingly, the gig economy applies heavily to sectors that are growing as well as those that are in decline. **Following are the industries where the gig economy is most prevalent today:**



Hospitality

Restaurants, hotels, functions, spas



Care

Healthcare, assisted living, home health, child care, etc.



Events & Stadia

Convention centres, security services, cleaning services, etc.



Retail

Both physical and e-commerce

The only way organisations can **profitably** deliver services in these market sectors is by heavily leveraging gig economy workers. As an example, one need only consider the evolution of healthcare, whereby services once delivered solely in a hospital or nursing home now happen in a variety of facility types, including patients' own homes.

The main challenge to profitable operations in this new world is ensuring employees are engaged and ready to deliver a great customer experience. Yet in this new workplace, employees are often loosely coupled, or even entirely disengaged from the 'head office.' They may never work the same hours or in the same building as the Human Resource department, or even their ultimate manager. This makes employee engagement difficult – but vital to operational success.



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The Gig Economy Removes the Monopoly of Employer Convenience

People who work in the gig economy have new expectations, whether they are working, being served as a customer or interacting in other facets of their lives. As consumers, they are well aware that they can have many of the things they desire delivered right to their door, within minutes or hours. They expect the same type of convenience when interacting with employers in the gig economy.

If an employer cannot seamlessly and rapidly satisfy their need for work on their terms, they can quickly jump to another employer that is ready to give them a great employee experience.

The increasingly higher demands of gig economy workers are not driven by employer convenience. Instead, they are driven by innovative technology, human behaviour and consumer preferences.

We foresee this trend amplifying over the next 5-10 years as technology proliferates and today's young workers represent a growing percentage of the employee population.



Gig Economy Workers Have Unique Expectations

Workers in the gig economy, also known as **'casual workers'**, overwhelmingly believe that the benefit of casual work is flexibility. This includes the flexibility to fit work shifts around such things as study time, family commitments and alternate job opportunities.

Casual workers' top criteria for choosing an employer:



1

Predictable pay

This is the most important criterion and is most referred to as 'guaranteed number of hours' which casual workers accept having shown as a week-to-week breakdown of hours.



2

Flexibility

Casual workers need flexibility but also value a schedule that meets their needs and does not cause friction. They do not want to be held to the same schedule each week.



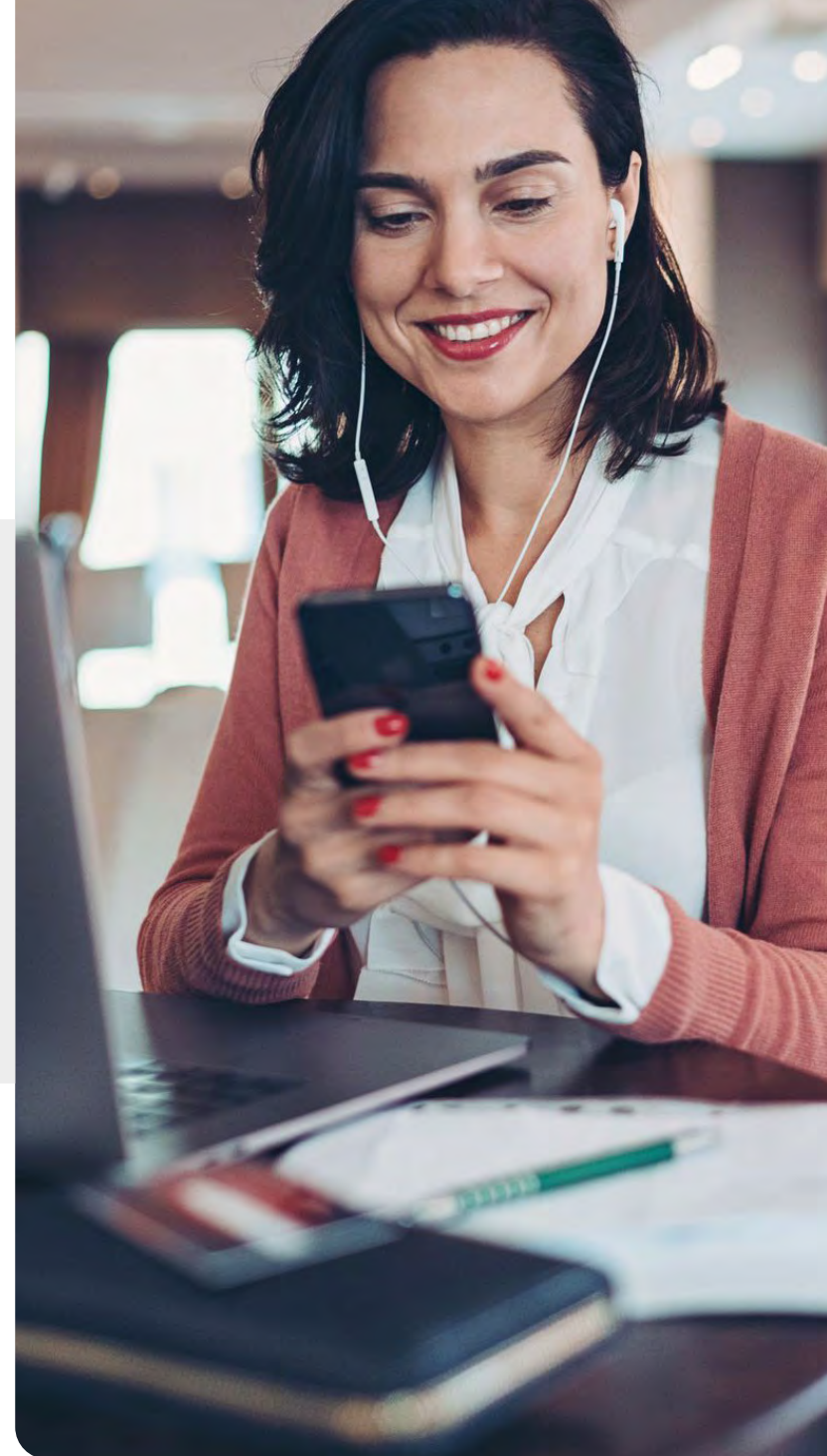
3

Premium wages

Placing third, the amount of pay is important to casual workers, but not as big an impact on their overall life goals as predictability and flexibility.

It is important to note that casual workers are happy to 'flex' in terms of time and location of work – as long as they can have assurances that there will be enough work to meet their needs and that their other demands are respected.

Organisations benefit greatly by meeting casual workers' needs: a flexible all-hours workforce; worker loyalty; minimal onboarding and training; and brand ambassadors.





The Importance of a Positive Culture for Casual Workers

Given low unemployment rates, a wealth of gig job opportunities and the increase in freestyle attitudes, employers are compelled to deliver a more positive culture for casual workers as part of their EX.

Culture greatly impacts engagement and motivation, and among casual workers, can be valued more than higher pay or bonuses.

The importance of culture has been clearly articulated and proven in business globally. This has resulted in the massive shift in focus and investment in culture creation.

Technology can rapidly scale and accelerate the positive effects of culture for the permanent workforce.

Technology can also be a key investment to ensure that culture creation initiatives are driven for the contingent workforce, too. Thoughtfully investing in culture can yield both short-term and long-term benefits.



How Companies Cement Culture via a Mobile App

When a company acts or speaks authentically, workers can feel it. The same holds true for when the company voice lacks authenticity. Some forward-thinking organisations have recognised the importance of company voice and how it can help them to create a positive culture. At the same time, knowing that certain apps are used on a daily basis by staff, they saw an opportunity to create and/or enforce company culture simply through an app.

In one instance, a healthcare business changed the term 'Department' throughout the entire application, referring to a department now as an 'Operating Theatre.' Flight Centre has taken their initiative even further by customising an entire app to match their unique tone of voice. Now, staff who clock off at the end of a shift receive a notice that is in line with their tone of voice.

Not only do these types of app usage ensure that all staff feel like part of a team that is valued, the companies can also continuously instill the values and attitudes of the organisation without blatantly mandating them in formalized, stiff communications. Instead, workers absorb company culture in the process of performing their daily routines.

Forward-thinking organisations have recognized the importance of company voice and how it can help them to create a positive culture.





When it comes to their daily work life, few things can serve casual workers better than a robust mobile app.



Moving Beyond Mobile Apps to Optimize Employee Engagement

Casual workers are heavily reliant on mobile apps to accomplish tasks in their daily lives, as we noted earlier. When it comes to their daily work life, few things (if any) can serve them better than a robust mobile app. It helps them schedule their day, ensure they arrive to work on time, know exactly where to go, how long they will work and how much pay they can expect. It should even help them to receive their pay faster.

For any frontline or HR manager who leverages a significant casual workforce, they likely have deployed a mobile app that performs, at a minimum, basic workforce management tasks like the following:



Rosters & scheduling



Timesheet management



Time & attendance



Onboarding



Communications



Leave & availability



Award interpretation

Not only does a robust mobile app help casual workers respond faster to opportunities, it helps employers and employees alike by removing the 'surprise factor' that can cause undue stress to everyone involved, including those who manage casual workers.

For all the benefits of workforce management mobile apps, employers and workers will benefit far more from an app that can provide continuous business improvements.



Discover Apps Based on Enterprise-Grade Frameworks

While a basic workforce management mobile app can make life easier for frontline managers and casual workers, an application that can optimise the business and the lives of casual workers is far more than the transactional functions of rostering, scheduling, swapping shifts, etc.

An app for workforce management should actually serve as the mobile front-end to a powerful back-end solution that gives the business and workers a comprehensive view of their work and how to perform it better.

On the worker side, for example, onboarding functionality can encourage workers to join the organisation. This is an important capability, as a meaningful proportion of new hires today actually fail to complete their onboarding paperwork.

The costs and effort that go into attracting, recruiting and gaining commitments from casual workers can be greatly reduced by ensuring that new hires easily complete the tasks required to get started. With positive engagement occurring before they ever work their first shift, casual workers can sense a higher level of professionalism and begin to engage with company culture earlier.

Opportunities abound to improve the business from the employer side when using the right mobile app. This is because an app that serves as the front-end to an enterprise-grade solution can provide broader and deeper functions, and simultaneously, tap into numerous core systems to deliver valuable business insights and suggested areas of improvement.

When it comes to broader and deeper functionality, an application should be able to manage complex organisational structures as well as nuanced interpretation of labour laws. A simplistic workforce management mobile app typically provides for basic data around location, department, role and function. However, an advanced app provides for multi-layered organisational structures and a virtually endless number of sites, departments, teams and numerous other criteria for pinpointing jobs and worker assignments.

In the area of compliance management, an employer needs to know the exact cost of a schedule. Many organisations in Australia, New Zealand, UK and Western Europe are highly regulated and face fines when mandating work practices that are in breach of regulations. Even when the associated fines are small, the public damage to brand reputation can be enough to discourage casual workers from applying

for jobs at such companies. In addition to staff harm, brand damage also impacts revenue lines with potentially disastrous effects on the business. An app that is tied to an enterprise-grade solution can help ensure that an employer maintains the right levels of worker privacy, data protection, fraud avoidance and enforcement of anti-discrimination protections.

Given the mobile nature of casual workers and their need for flexibility, an ideal solution must not be a locked-down, rigid system typical of on-premises enterprise technologies. Rather, the enterprise framework must be delivered over a cloud-based web experience that can deliver a consumer-grade mobile app experience to all levels of digital abilities.



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Advanced Functionality from Integrations to Core Systems

By integrating to core systems like those for payroll, event management, BI, HRIS and applicant tracking, a workforce management mobile app enables truly transformative workforce optimisation. Following are just a few examples:



Plan Improvement: management can perform period-based measurement of rosters or shifts worked and compare them to what was originally planned. This allows management to modify plans based on a more robust baseline plan.



Manage Schedules to Authorisations: By reflecting authorised start times in the automated portions of the mobile app, an employer can save costs associated with employees clocking in too soon and clocking out too late. Additionally, the burden or manual timesheet approval decreases.



Benchmarking High and Low Performers: Integration to analytics shows which sites are performing best, which leads to deeper investigation into root causes. A popular use of analytics is to gauge the effect of high levels of shift-swapping on controlling 'cost per shift.'



Insightful Reporting: An enterprise-grade app provides standard reports around employee satisfaction and can correlate that data with specific managers and shift patterns. Other popular report types include promptness of timesheet authorization, accuracy of timekeeping as well as the time lapse between publishing a roster and scheduling workers (giving casual workers time to plan their work-life balance).



Real-time Manager-Level Insights: These help front-line managers to stay with casual workers and in front of customers, rather than staying in the back office during important operational times.



The improvements afforded by an enterprise-grade framework that uses a front-end mobile app cannot be overstated. When an app can interface to HR and a range of corporate systems, employees get the information they need, always and on the right device.

Without this back-end connectivity to systems of record, pieces of critical information are inaccurate or missing. Casual workers detest this, as it makes them feel disconnected and undervalued.

'Enterprise grade' means continuously setting the performance bar higher and ensuring that an employer can provide the best EX possible – while streamlining operations and cutting costs.

Differentiating Further by Building a Digital Community

Once an employer has provided a robust app to casual workers, it becomes easy to boost retention and engagement by incorporating elements of true digital community into the app. Organisations that do not do this, or whose app cannot do this, are missing a huge opportunity.

The app can keep people in the loop with company goals and activities, and many companies encourage their people to use app-based messaging to communicate within and between teams. At the outset, community-building communications can be as basic as a "Notices" board or a highlighted area of company perks and news.

Since workers can input data into the app and are accustomed to social engagement over apps, a robust digital community can also listen and improve quickly. Perhaps workers have suggestions for more information, such as company news or employee birthday push notifications. Once workers begin to engage, it will become much easier to build community and take the pulse of workers' feelings regarding their



work and the organisation. Even when workers do not contribute, the right tracking functionality within the app can inform management of how frequently workers engage with the community-building portions of the app – a valuable piece of data on its own.



The Future of Employee Engagement

When a workforce optimisation app provides broad and deep functionality based on integrations into core systems and web-based information sources, there is virtually no limit to its future value for employers and casual workers.

As more people join the casual worker ranks of the gig economy, an app can evolve to help them manage more aspects of their work life.

For example, given that each worker is essentially running their own business, an app might help advise them on issues related to their taxes, legal/compliance issues and skills development.

An employer will only be limited by the imagination of their staff, whether they be full-time or casual workers. Thanks to technology, an employer gains all the benefits of a permanent workforce by managing a fully engaged staff of casual workers who may feel valued as part of the community and even more engaged than permanent employees.

About Humanforce

Humanforce is a global provider of workforce management solutions for companies who need flexibility to manage complex workforces. Companies use Humanforce to manage everything from time and attendance, employee rostering, onboarding and availability. Humanforce has strong partnerships with industry leading payroll providers, with over 100 integrations and enable customer employees in over 9000 locations globally.

Humanforce was founded in Sydney in 2002, and today has offices across Australia, New Zealand, Singapore and the UK.

For more information:

www.humanforce.com



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