



**Rapid workforce changes
in the US:** A blueprint for
adapting to shifting trends

Wonolo |  **HRDIVE**

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The workforce rollercoaster continues. In June of this year, 10.7 million jobs remained unfilled in the U.S.¹ Although this was a decrease from previous months, the quit rate remained almost the same at 4.2 million, and the number of hires stayed static at 6.4 million. In other words, businesses are still struggling to hire and keep workers.

With inflation at a 40-year high, it might seem like higher prices for gas—and all other goods—would lead people to seek the stability of their current job and paycheck.² But experts say that may not be the case. Instead, the inflationary bite into salaries may make people look for higher-paying work.³ And, with millions of jobs open, the opportunities are significant—for now.

To complicate matters even more, economic experts warn a recession is on the horizon. That could mean slower job growth, with companies not hiring or even laying off workers.⁴

Another bump on the rollercoaster ride is the decisions companies are making about returning to the office. Only 4% of companies are requiring workers to return to work in-person full-time.⁵ Companies are still trying to navigate where people work, what tasks require being onsite versus offsite, and how to maintain fairness and culture in the organization.

Although both businesses and workers crave a sense of normalcy, the reality is the labor landscape will continue to change.

One way businesses are trying to address these labor challenges is the increased use of gig workers. Gig or independent workers are a rapidly increasing source of labor, with their current number of 57 million growing to 86 million in 2027.⁶

Regardless of whether your business runs on independent contractors or full-time employees, it's clear that the traditional methods for obtaining and retaining talent no longer work effectively given the changing labor landscape. Instead, organizations need a new, evolving blueprint for how to approach shifting trends.

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REIMAGINE THE USUAL PRACTICES

The economy may be shifting, but many jobs currently still need filling. The open jobs might not be as numerous as in the past or might be more concentrated in specific functions or geographies. However, companies will need qualified workers to ensure business operations continue.

With both the fierce competition for labor and economic uncertainty spurring cost conservation, businesses should optimize their ability to fill open jobs, advises Monica Plaza, Chief Strategy Officer at Wonolo. **“To set the foundation, HR and Operations teams need to form a tight internal alignment. Businesses should ensure they build processes and communication channels that enable HR and Operations teams to work closely together to find the right workers for the right jobs on the right timeline.”** As businesses look for workers, they should review their processes to see how effective they are and where improvements can be made.

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Additionally, review your job postings. They need to be clear and accurate to attract qualified, professional, and interested workers, Plaza advises. Responsibilities change quickly, so periodically review the job information to see if anything has changed. For example, companies are starting to realize that some education or experience requirements that used to be considered mandatory aren't actually necessary to perform the requested job duties. Tech companies Apple, Google, and IBM are among those deemphasizing college degrees in lieu of soft skills and the ability to learn new and ever-evolving technology.⁷

Be sure to also eliminate gender-coded and ageist language like patient, aggressive or digital native. In a LinkedIn survey, 69% of Americans said they were likely or very likely to skip a job ad that contained that language.⁸

Also, include a pay range on your job posts. In the same survey, 95% of respondents said they wanted that information included in ads, however, a recent survey found that only 35% of companies listed those details.⁹ Companies may worry that disclosing pay details can dissuade people from being interested in their jobs. However, those that do are more likely to be a better fit with the budget available. Additionally, sharing pay details shows transparency, which attracts workers.

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Almost 70% of job applications submitted in 2021 were completed on a mobile device.

USE TECHNOLOGY TO IMPROVE THE PROCESS

Ensure your technology makes it easy to apply and follow through on an application. Almost 70% of job applications submitted in 2021 were completed on a mobile device.¹⁰ If your process doesn't allow for quick applications on the go, you will lose candidates to competing priorities.

Even while you look at your process for places to increase efficiency, you still have the problem of the open job. **"The usual method of collecting candidate resumes, reviewing applications, and conducting interviews can be slow and taxing on HR teams, and don't necessarily drive success in terms of a higher volume of jobs filled or better worker fit,"** Plaza explains.

While assessing your processes, those openings can negatively affect your current employees who are trying to take care of their responsibilities as well as those from the open job. Facing stress and burnout, overworked employees are twice as likely to say they've considered quitting,¹¹ making it that much more pressing to find a qualified person who can get the job done right now.

In addition to using technology to speed the application process, it can streamline the staffing process and open new doors to sourcing labor through on-demand job marketplaces. "Technology allows companies to more efficiently connect with workers who are fit for the jobs that they need to be filled, reduce the time and cost associated with traditional methods of finding work, and ultimately optimize the process of finding qualified workers," Plaza says. This takes the weight off HR and Operations teams and saves businesses valuable time and money.



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FIND NEW WAYS TO QUICKLY FILL JOBS

Companies are increasingly engaging with contract and independent workers to meet their needs. Although the Great Resignation saw millions of people leave the traditional workforce, many now work as independent contractors performing a number of different jobs for multiple companies. In 2020, 2 million Americans worked as gig workers for the first time,¹² and roughly 35% of the U.S. workforce was involved in the gig economy.¹³ And this growth is expected to continue.¹⁴

With gig workers comprising a large, and growing, segment of the U.S. labor market, the next question is how to find and engage with these independent workers.

On-demand job marketplaces like Wonolo help businesses do that. Plaza says that Wonolo enables companies to connect directly with workers with relevant skill sets and work experience through a user-friendly platform. **“Companies post a job listing on Wonolo and within minutes, local workers can view and accept the posting, dramatically increasing funnel efficiency from top to bottom.”**

35% of the U.S. workforce was part of the gig economy in 2020.

APPEAL TO WORKERS SO THEY CONTINUE WORKING WITH YOUR COMPANY

Companies put a lot of effort into finding workers. It's just as critical that they provide workers with reasons to choose to work for their business instead of the competition. Plaza notes that competitive pay and benefits or perks are the most important ways businesses can provide value to workers. **"It's crucial for businesses to understand and meet the living wage of the region in which they operate so workers can make enough money to cover their essential needs. Additionally, providing perks and lifestyle support, especially to temporary workers who may not have access to traditional benefit offerings, can also help incentivize those workers to return for future opportunities."**

For employees, effective onboarding is essential in helping them quickly acclimate to the company. They feel included faster, learn the job sooner, and can become more productive. Those factors make employees want to stay. A Glassdoor study found that organizations with a strong onboarding process increased productivity by more than 70% and retention by 82%.¹⁵

Moreover, employee development shouldn't stop in the first months. Giving opportunities to grow professional and personal development skills helps employees feel seen and valued throughout their careers.

Even if an employee leaves the company, they might return one day. Similarly, gig workers that have completed jobs with a company might one day see another opportunity with the same company that interests them. By leaving workers who have interacted with your company with a positive experience, you are creating a pool of potential future help that the company would welcome back. This gives companies a starting point for people to contact who are already familiar with the company.

CREATE BUSINESS FLEXIBILITY

With workforce and economic trends shifting once again, companies are prioritizing business flexibility. During the pandemic, many companies learned how necessary business flexibility is. For example, those that invested in the right technology could better adjust to change than those that didn't.

But business flexibility isn't only about technology. It's also about tailoring your company's labor needs to demand. Even as companies struggle to find workers to meet service demand, some companies are starting to downsize in anticipation of a recession. Businesses need the flexibility to expand and contract the number of workers they utilize when needed.

One way to achieve this flexibility with greater ease is with on-demand marketplaces. Businesses can add or remove jobs easily without a lengthy hiring or layoff process. By being flexible, businesses get what they need when they need it. This flexibility helps companies remain stable. It also helps them plan better, knowing, for example, that they can manufacture new product lines because the on-demand labor is available.

Plaza notes an example of this flexibility with Extended Stay America.¹⁶ **"As travelers ventured out again in 2021, Extended Stay America experienced a surge in bookings, which challenged the business to find enough workers to support the new demand. Extended Stay America utilized Wonolo to quickly connect with workers, which in turn led to cost savings, time savings, and scaled staffing (over 4x into 100+ locations)."**



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ENGAGE WITH INDEPENDENT CONTRACTORS

Plaza also says that business leaders may be hesitant about trying a new labor strategy. **“However, in the face of economic uncertainty, unpredictable demand, and growing labor challenges, many companies have overcome their fear of change and begun to explore other kinds of work arrangements over the past couple of years.”**

It’s not uncommon for companies to have a labor strategy that utilizes both employees and contractors. While employees differ from contractors in several ways, productive and efficient workers share some similarities.¹⁷

One key advantage to engaging with independent contractors that can positively impact your business is their flexible availability: they can fulfill both on-demand and long-term labor needs. While this comes back to the flexibility mentioned earlier, it also means stability for both you and your operations. In short, your business will be able to plan better for seasonality and peak seasons through long-term engagements with contractors in addition to having that last-minute solution for unexpected labor needs.

At the end of the day, companies are looking for workers that can:

- perform high-quality work
- work independently or coordinate with others to complete tasks
- work specific hours and days as the company needs
- work on specific tasks or ongoing projects
- have specialized skills



DEVELOP AN OPEN CULTURE

Regardless of job classification or payroll method, businesses can get the most out of workers through thoughtful practices: familiarizing new workers with your business, setting clear expectations, encouraging ongoing communication, and showing appreciation.

Organizational culture plays a significant role in how people feel about the company and their work. **“It’s important to be seen, heard, and valued—and to be encouraged to bring their authentic selves into the workplace. It goes without saying that when people are happy with a job, they’re more likely to continue working with that company,”** Plaza says. This holds true regardless of whether an individual is looking for full-time work or deciding which company’s short-term gigs they want to accept.

Ultimately, utilizing independent contractors may hold the key for the future. With labor needs and availability shifting on a dime, businesses must be able to alter their direction. By following a blueprint to assess and address your labor requirements, you can be agile and prepared, regardless of the changes headed your way.

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Wonolo is an on-demand job marketplace that has connected over one million workers (“Wonoloers”) to retail, manufacturing, hospitality, and other types of hourly and flat-rate jobs posted by thousands of businesses across the United States. Wonolo is on a mission to make work flexible and fulfilling for everyone, while enabling businesses to efficiently fill local job opportunities.

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