



2024: State of the Hourly Workforce

Retention is Still a Struggle, and the Threat of Unionization is Real

JUNE 2024



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Executive Summary

Hourly employees are very unhappy, especially younger workers. **Half of the employees surveyed say they are “very likely” to leave their jobs within the next year**, and when you look at employees between the ages of 18 and 24, the number jumps to a startling 76% who said they plan to depart in the next 12 months.

Simply put, workers don’t think their employers are doing enough for them. Only about half of hourly employees agree that their employer cares about creating a good work experience for them and their coworkers, and **41% of employees reported that their companies “have not done anything to make my workplace better” in the past 12 months.**

Many are ready to consider unionization to get what they want. The high-profile unionization efforts at Starbucks, Tesla, and Toyota—and even companies with employee-friendly reputations such as REI—show that employees are ready to look at new options to meet their goals. While only 10% of employees experienced a unionization effort at their employer in the past year, **more than a quarter of hourly workers (27%) wish there had been a unionization effort** to help them attain more favorable wages, better benefits, and greater job security.

The work experience for managers is also problematic. Managers are overwhelmed with rote administrative work, schedule creation and management, and compliance tasks. Fewer than half (47%) of managers feel they have enough time to focus on the parts of their job that they enjoy, such as coaching, team development, and customer interactions. **Managing a multi-generational workforce is also adding to the strain.** A majority of managers (**56%**) are hiring more minors and retirees, requiring them to adapt to multiple motivations, communication styles, and scheduling preferences.

Clearly, **employers urgently need to raise retention rates and boost morale among hourly workers and managers by creating a better work experience.** Doing so can increase productivity and create new competitive advantages for their businesses.

Workforce management (WFM) technology has evolved to facilitate a greater focus on the human side of work. Employees greatly appreciate the human experiences that come with their jobs, such as building relationships with coworkers, receiving mentorship and coaching, and embracing the organizational culture. A substantial 69% of survey respondents listed “I like the people I work with” as one of the top three things they value about their job—which was the #1 answer. With the evolution of AI, workforce management has evolved to enable the intelligent automation of key tasks, allowing individuals to concentrate on the valuable aspects of their work.

Clearly, employers urgently need to raise retention rates and boost morale among hourly workers and managers by **creating a better work experience.**

However, there is a missed opportunity to harness this technology. Most managers still say they need more support from their employers when it comes to their administrative workload. While they recognize the potential of AI and automation to help them prioritize people, they lack the technology they need. Most see AI as an opportunity to ease the administrative burden and assist with complex processes such as scheduling. **66%** of managers believed AI could “make scheduling easier.” However, **fewer than 20% of managers are actually using a program that automatically generates schedules.** In fact, more than **50%** of managers are still doing things the old-fashioned way—when they need to fill an open shift, they “call, text or email employees they think will take the shift.”

For their part, **hourly employees have mixed feelings about AI.** While some recognize its potential, the largest number of hourly workers (**26%**) responded that they were “indifferent,” followed by **22%** who felt “suspicious.”

The new imperative for employers is to enable managers and hourly workers to focus on the human side of work by embracing AI and automation to eliminate mundane and repetitive tasks. This study, newly updated for 2024, surveyed 1,569 hourly workers and 557 managers in North America to get fresh insights into their needs, opinions, and concerns. The report provides insights and advice for translating their desire for the intelligent automation of key workforce management tasks into an effective, efficient reality.

Most managers still say they **need more support** from their employers when it comes to their administrative workload.

While they recognize the potential of AI and automation to help them prioritize people, **they lack the technology they need.**



Hourly workers value the improved work experience they get with AI and the automation of workforce management.

Key Themes

While the 2024 State of the Hourly Workforce study provides data, statistics, and insights for a wide range of findings in multiple categories, the big-picture results center around three core themes:



Employees Are Losing Patience and Find Unionization Appealing

One result of the growing dissatisfaction with the employee experience is that hourly employees are looking to unions to help get what they want.

According to recent data published by the U.S. Bureau of Labor Statistics, in 2023, **16.2 million** workers were represented by a union. Unionization among workers younger than 45 years of age grew by **229,000** in 2023. And these statistics don't capture the number of workers who want to join unions. Evidence suggests that in **2023, more than 60 million workers wanted to join a union but couldn't do so.**¹

The 2024 State of the Hourly Workforce study echoes these trends. While **fewer than 10%** of hourly workers stated that there was a unionization or labor organization effort at their employer in the past year—**over a quarter of employees (27%) wish there had been.**

Among the **10%** who experienced a labor movement in their workplace, the following factors inspired it: low wages (**68%**), poor employee benefits (**56%**), poor work-life balance (**51%**), lack of schedule flexibility (**46%**), social and/or political issues (**41%**), and compliance and safety violations (**31%**).



Retention is Still a Struggle Because the Employee Experience is Still Unsatisfactory

A closer look at the study reveals a tight connection between poor retention rates and an unsatisfactory employee experience, particularly among younger hourly workers. Overall, an alarming **50%** of hourly employees surveyed plan to leave their jobs within the next year, with nearly half that amount (**22%** of the total sample) hoping to leave within 3-6 months. The numbers escalate with hourly employees aged 18-24, with an astonishing **76%** planning to leave their jobs in the next 12 months—a large contrast to those aged 35-44 (**56%**), 45-54 (**44%**), and 55-64 (**34%**).

The perception that companies don't prioritize the employee experience is a key cause of low retention rates. Only **50%** agree that their employer cares about creating a good work experience for them, and **41%** of employees reported that their companies "have not done anything to make my workplace better" in the past 12 months.

¹ U.S. Bureau of Labor Statistics (BLS). 2024. "Union Members Summary" (Economic News Release), January 23, 2024.

The perception that companies don't prioritize the employee experience is a key cause of low retention rates.

Understanding what employees want in their work experience can shed light on how employers could improve. When asked to select the top three factors they value the most about their current role, hourly workers' top pick was "I like the people I work with" (**69%**), followed by "I enjoy the work I do" (**60%**), and "I have a flexible schedule" (**52%**). Interestingly, the latter two responses can be improved by intelligently automating workforce management.

The ability to get paid early remains a top priority for Gen Z and Millennial workers. **43%** of those aged 18-24 said a top reason they would take a new hourly job was the ability to get paid early, and **47%** of those aged 25-34 agreed.

There is also evidence that hourly workers increasingly value the enhanced work experience delivered through solutions such as AI and the increased automation of workforce management processes. Asked which top three incentives (other than the pay rate) are most likely to persuade them to leave and take a new job, several of the top choices increased from 2023 to 2024, including "ability to easily give schedule input" (**45% from 39%**), and "greater transparency into shift assignments and hours given" (**35% from 32%**).



AI and Automation Allow Employees to Focus on the Human Side of Work

The opportunity presented by the intelligent automation of workforce management is understood by managers. Still, its use remains limited, undermining managers' efforts to spend more time with their teams and customers.

Today, fewer than half (**47%**) of managers feel they have enough time to focus on the parts of their job that they enjoy—which is time they want to reinvest in their teams. When asked, "If your employer could reduce the amount of time you spend on administrative tasks, how would you use that time gained?", **67%** of managers said they would spend that time coaching and developing their teams; **27%** would spend that time interacting with customers.

A combined **38%** of managers are still using manual, paper-based processes (**13%**) or rudimentary software such as Excel or Google Docs (**25%**) to create schedules for their hourly employees; **42%** use scheduling software that enables the writing of schedules.

However, the study found fewer than **20%** of managers use a program that automatically generates schedules. The result: **57%** are spending at least 3 hours per week on scheduling and prefer more automation, and only **30%** of hourly employees reported their organizations "improved schedules to better match my availability and preferences." Only **29%** said their companies "improved schedule flexibility."

Managers can see the potential of AI to help them prioritize people. The impact of intelligent automation could ease scheduling, onboarding, and other burdensome administrative tasks.

Managers see the potential of AI to help them prioritize people. When asked to rank which tasks they most wanted to have intelligently automated, managers selected “employee scheduling” as their top choice. When asked how they saw AI impacting their role in the next few months, responses focused on easing the burden of administrative tasks and assisting with complicated processes like onboarding.

- **66%** of managers stated they believed AI could “make scheduling easier”
- **59%** stated “improving the onboarding/training process”
- **58%** said “streamlining administrative tasks (payroll, etc.)”
- **37%** said “helping to ensure labor compliance”
- **36%** said “improving communication with employees”
- **33%** said “giving me more time with customers”

Hourly workers need more clarity about the potential of AI to improve the work experience. When asked to describe how the presence of AI in the workplace made them feel in a single word, the largest number of hourly workers (**26%**) said “indifferent”, followed by (**22%**) who felt “suspicious.” Positive feelings like “excited” (**5%**) and “empowered” (**3%**) ranked lowest among hourly employees, indicating a clear need to understand AI’s potential to improve their experience.

Actions You Can Take

1. Leverage automation to remove administrative burdens and free employees and managers to focus on the human side of work to improve efficiency and employee engagement.
2. Provide employees with greater schedule flexibility and control to increase retention and reduce the risk of unionization.
3. Invest in change management and ensure frequent communication about how you are investing in and improving the employee experience.

Detailed Findings

Employers Who Don't Act Can Expect the High Turnover Trend to Continue

The hourly worker attrition crisis is ongoing, and retention of hourly workers will remain a daunting challenge in the year ahead. **50%** of hourly employees plan to leave their jobs within the next year, and of those who plan to quit, **62%** plan to leave their current industry altogether. While those numbers are down slightly from the previous year (**62% and 64%** in 2023, respectively), they remain distressingly high.

50% of hourly employees plan to leave their job in the next 12 months and of those who plan to quit, **62%** plan to leave their current industry.

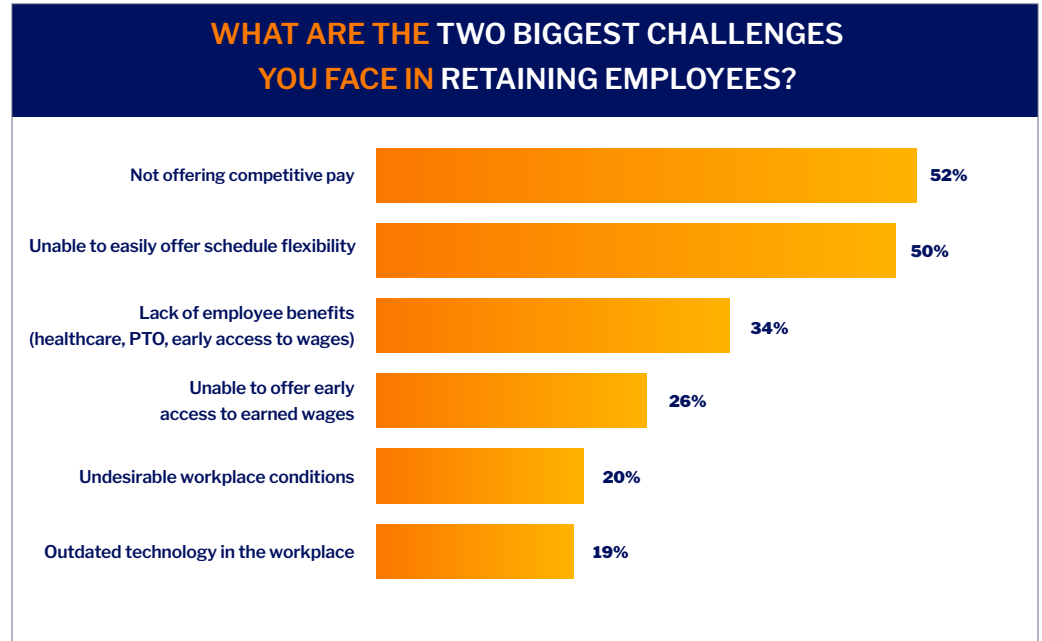


Specifically, when asked to complete the sentence “I am very likely to look for a new job...,” **50%** said they don't plan to leave in the next 12 months, **17%** said they do plan to leave in the next 12 months, **23%** said they plan to leave in the next 3-6 months, and **10%** said they plan to leave immediately.

The Biggest Challenges for Retention Are Pay and Flexibility

When asked to “identify the two biggest challenges you face in retaining employees,” respondents pointed to “not offering competitive pay” (52%) and the employer being “unable to easily offer schedule flexibility” (50%).

50% say that the inability to offer schedule flexibility makes retaining employees more challenging.



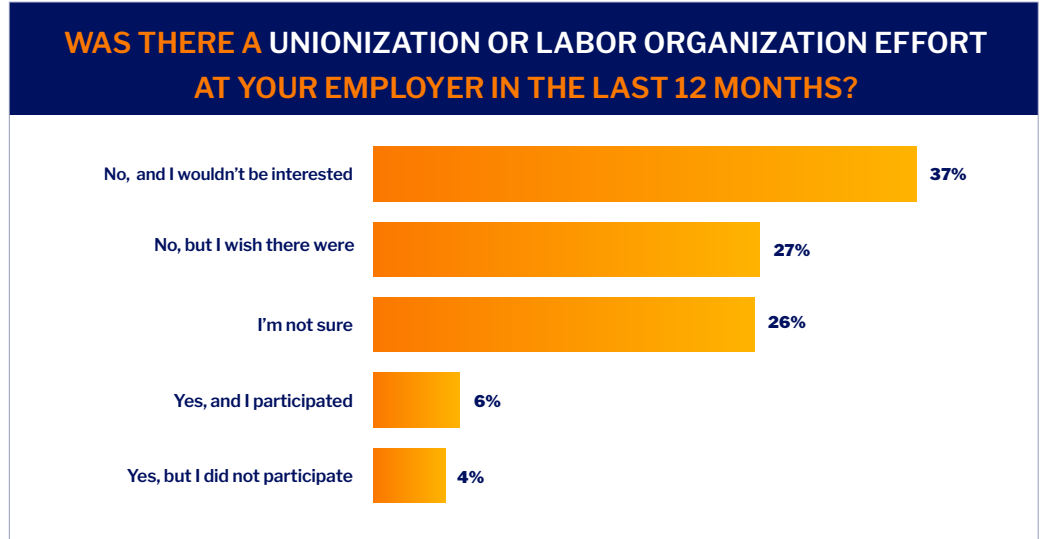
Concerns about pay are particularly acute among employees aged 18-24. 22% of this group hold two jobs—twice as many as the rest of the respondents. Among those aged 18-24, 66% say they hold two jobs for extra financial stability, and over half (59%) have extra employment because they don’t make enough money at one job to cover their rent and food costs. Two-thirds (66%) of these respondents say they work multiple jobs to save for large-ticket items like a house, car, vacation, or wedding.



Unionization Efforts Are a Response to Growing Dissatisfaction

Frustrated hourly employees are turning to unions and other labor organizations to improve compensation, benefits, and the employee experience.

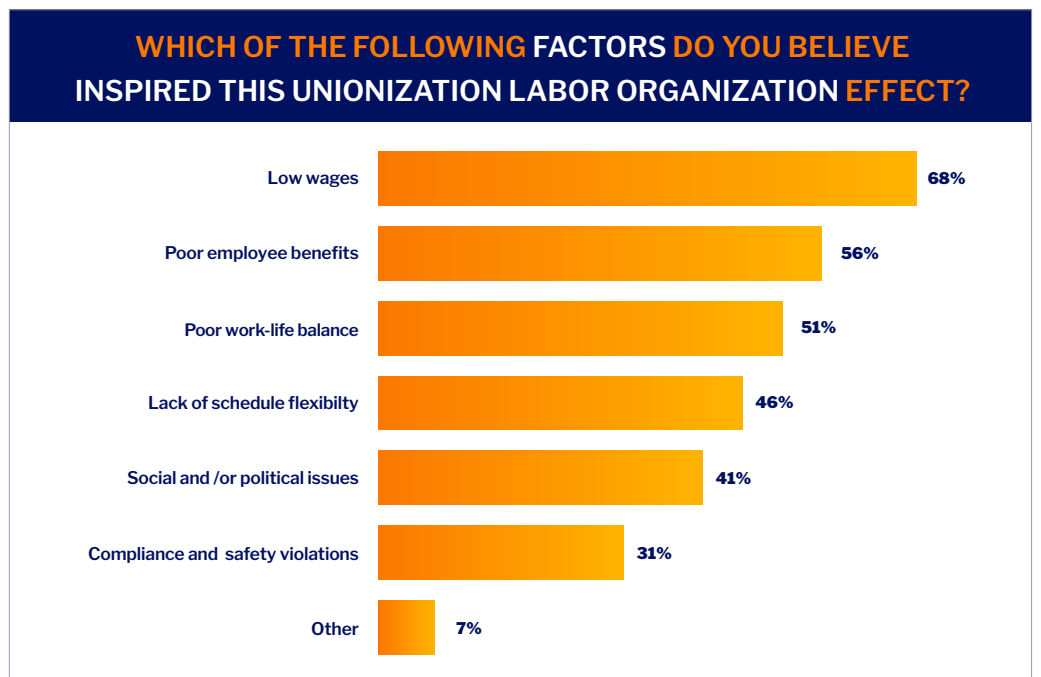
27%
of employees wish there had been a unionization effort.



While only **10%** of hourly employees say there was a unionization effort at their employers in 2023, over a quarter of them (**27%**) say they wish there had been. Only **37%** said there was no unionization effort and they would not be interested in such an initiative; the rest either participated in unionization, considered it, or were undecided.

The catalysts behind unionization efforts included low wages (**68%**), poor employee benefits (**56%**), poor work-life balance (**51%**), lack of schedule flexibility (**46%**), social and/or political issues (**41%**), and compliance and safety violations (**31%**).

68%
of employees believed low wages to be the primary inspiration for unionization efforts.

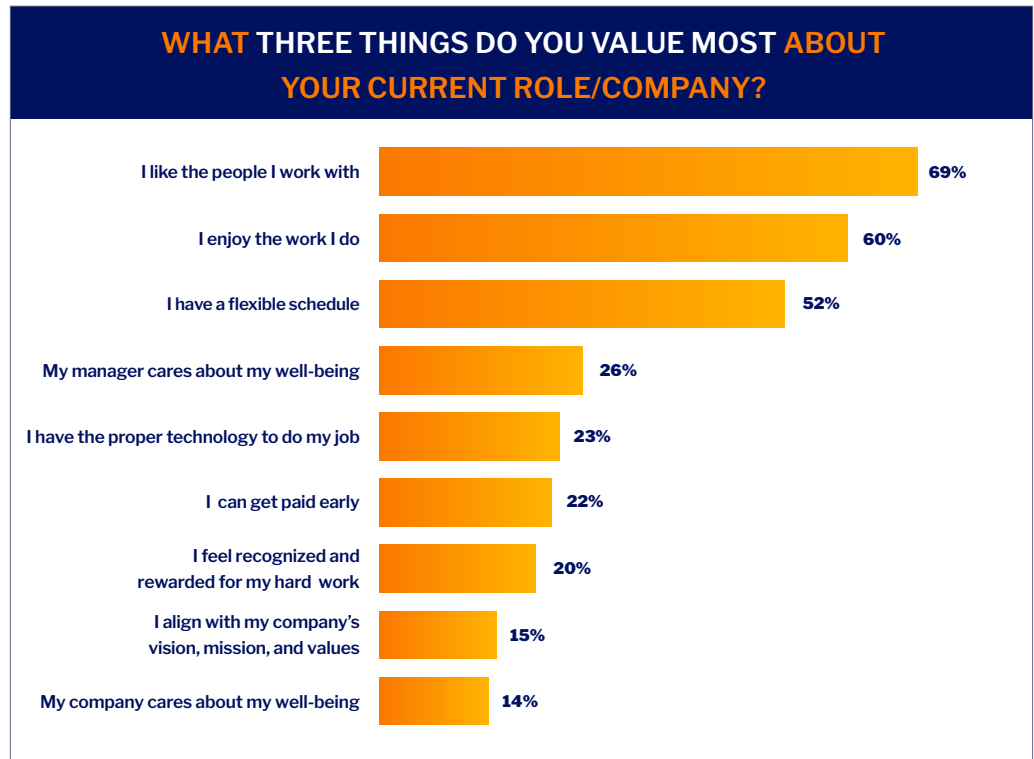


The top reasons hourly employees cited that they valued most about their current role were the **people they work with**, **the type of work**, and **having a flexible schedule**.

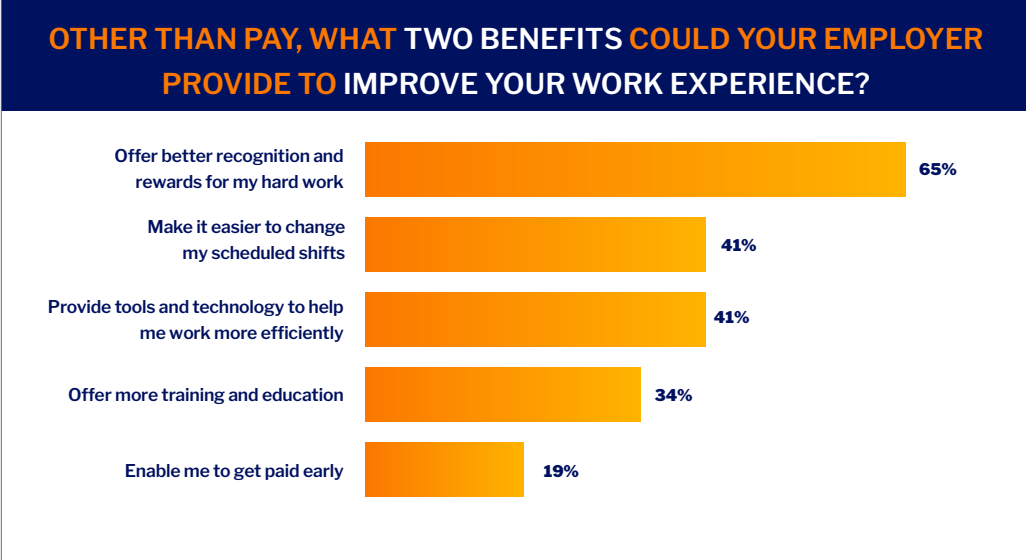
What Do Employees Want? A Better Work Experience.

A closer look at what employees truly value in their work environment shows that employers can deliver a better experience and achieve higher retention rates by focusing on the human side of work.

When asked to select the top three factors they value the most about their current role, hourly workers' top pick was "I like the people I work with" (69%), followed by "I enjoy the work I do" (60%), and "I have a flexible schedule" (52%).



Asked what top two benefits their employer could provide to improve their work experience, "offer better recognition and rewards for my hard work" came out on top (65%), followed closely by "make it easier to change my scheduled shifts" (41%), and "provide tools and technology to help me work more efficiently" (41%).



Schedule Flexibility and Rewards Are Key to Higher Retention Rates

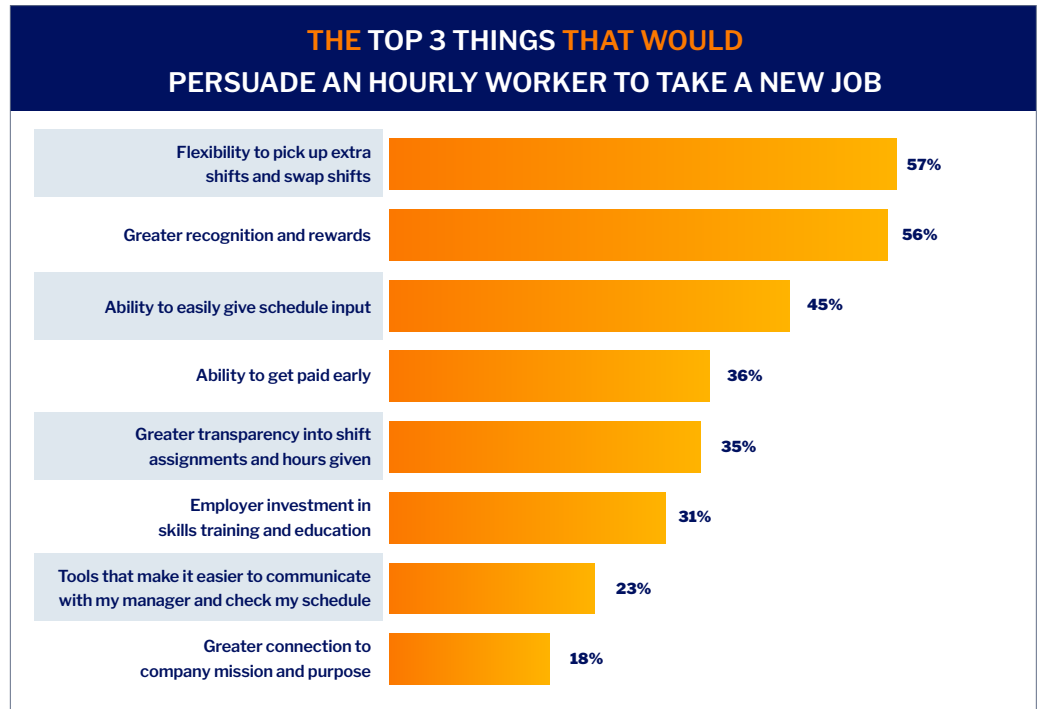
The study showed that greater flexibility and rewards lure hourly workers to new job opportunities, making them key to retention and recruitment. When asked what top three incentives, besides pay, would drive hourly workers to take a new job, “flexibility to pick up extra shifts and swap shifts” came out on top (57%), with “greater recognition and rewards” close behind (56%).

It is important to note that “flexibility” has multiple shades of meaning to hourly workers. Several other top incentives mentioned were directly related to schedule flexibility, including the “ability to easily give schedule input” (45%) and “greater transparency into shift assignments and hours given” (35%).

In addition, 36% of employees placed the “ability to be paid early” in their top three incentives, indicating the appetite for earned wage access (EWA) remains strong among the hourly workforce. This is especially true of younger workers: 43% of those aged 18-24 and 47% of those aged 25-34 said the ability to be paid early was a top-three priority.

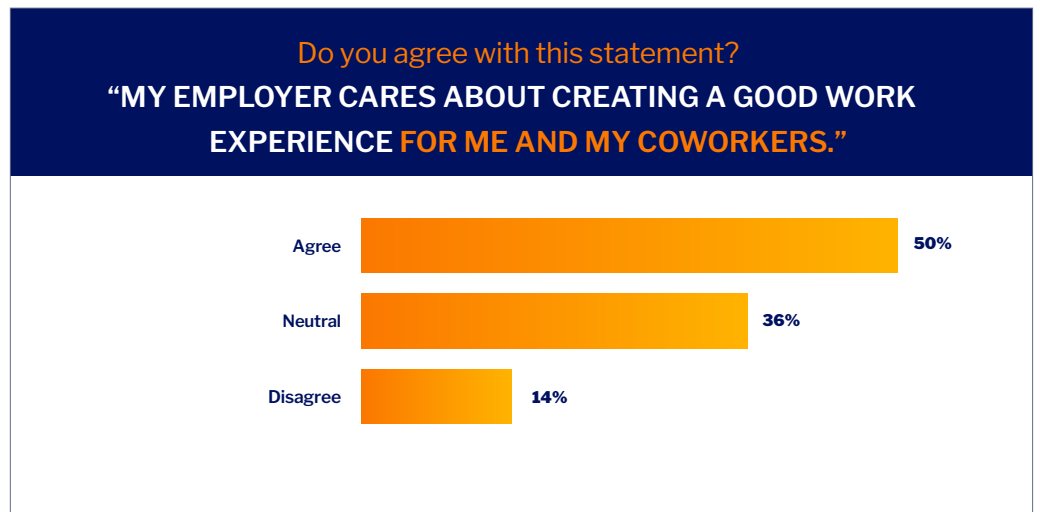


Half of the top incentives to take a new job are related to scheduling and/or shift flexibility.



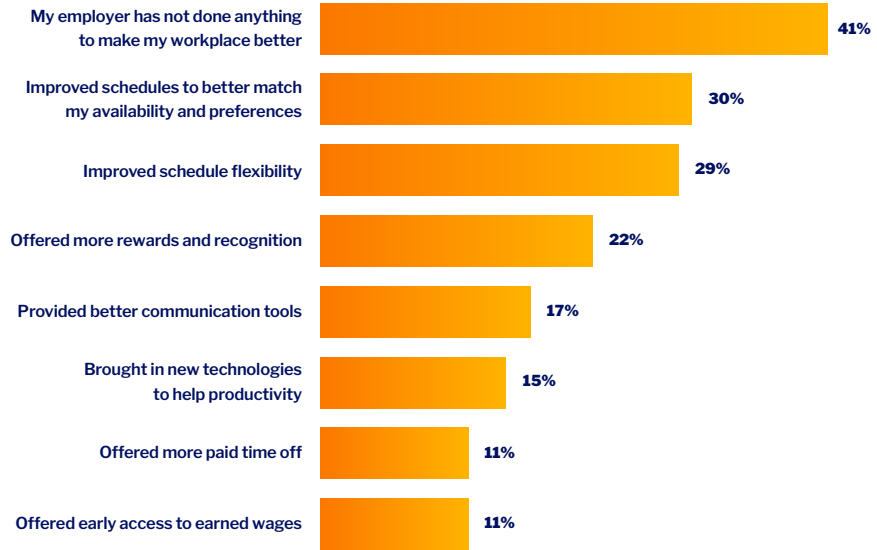
Employers Haven’t Done Enough to Improve the Experience

Only **50%** of hourly workers agreed that “my employer cares about creating a good work experience for me and my coworkers,” while **36%** were neutral and **14%** disagreed.



Equally alarming, when asked, “In the past 12 months, what has your employer done—beyond increasing wages—to make it a better place to work?”, the most popular answer was that their companies “have not done anything to make my workplace better” (**41%**).

IN THE LAST 12 MONTHS, WHAT HAS YOUR EMPLOYER DONE – BEYOND INCREASING WAGES – TO MAKE IT A BETTER PLACE TO WORK?

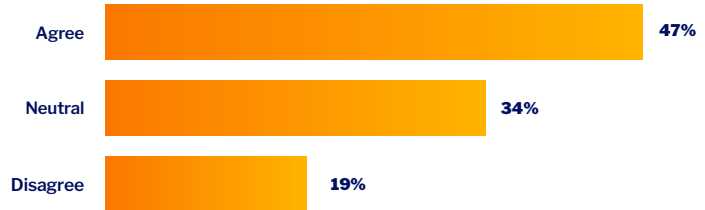


Roughly **1/3** of managers do not feel like their employer has set them up for success.

Managers Want to Spend More Time With Teams and Customers

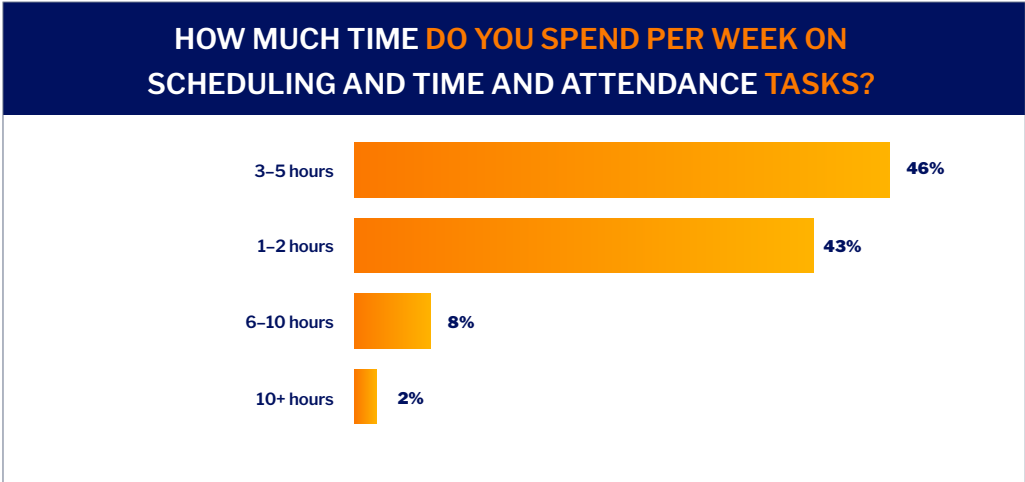
Tedious administrative tasks are preventing managers from spending time the way they want. Fewer than half (**47%**) of managers feel they have enough time to focus on the parts of their job that they enjoy, including communicating with and coaching team members and assisting customers. And almost a third of managers (**29%**) don't feel they have been set up for success in their role.

**Do you agree with this statement?
"I HAVE ENOUGH TIME TO FOCUS ON THE PARTS OF MY JOB THAT I ENJOY."**

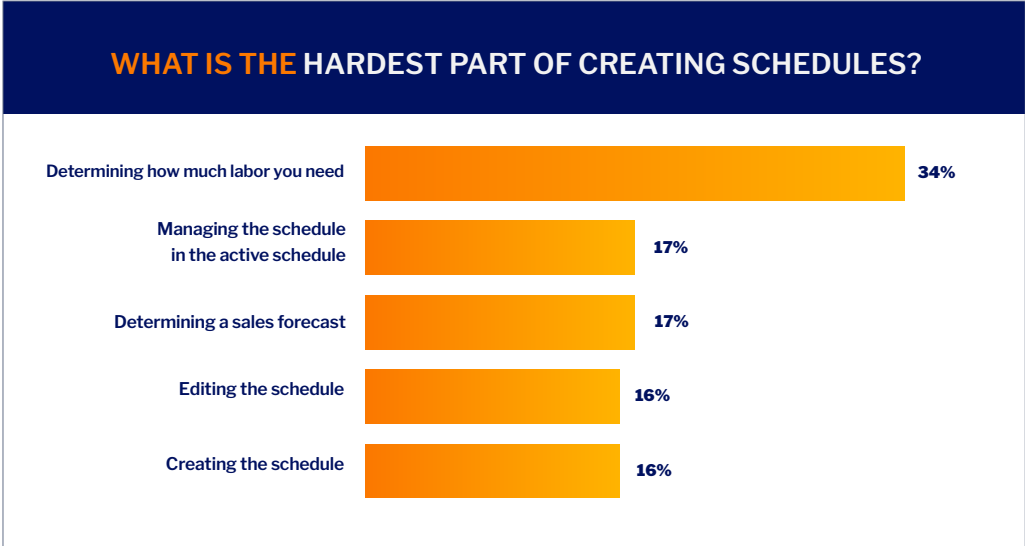


When asked how much time they spend on scheduling and time and attendance tasks per week, a whopping **56%** said they spend between three and 10+ hours. Specifically, **46%** spend 3-5 hours, **8%** spend 6-10 hours, and **2%** spend 10+ hours per week.

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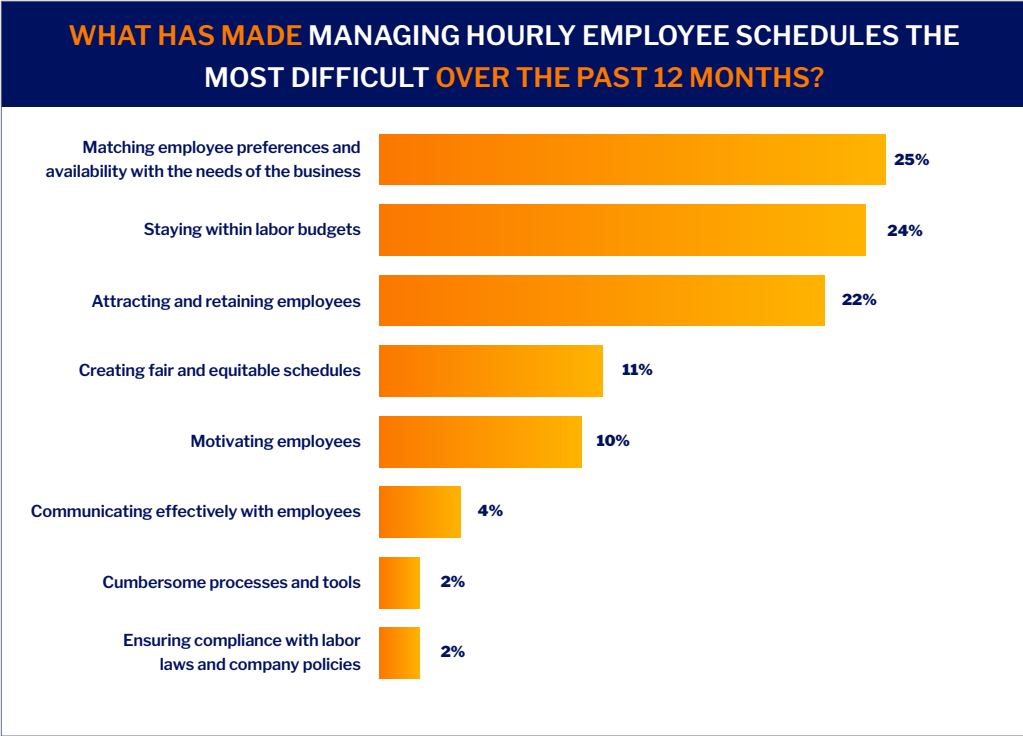


According to **34%** of managers, determining how much labor is needed is the hardest part of creating schedules. This is followed by managing the schedule in the active schedule (**17%**), determining a sales forecast (**17%**), editing the schedule (**16%**), and creating the schedule (**16%**).

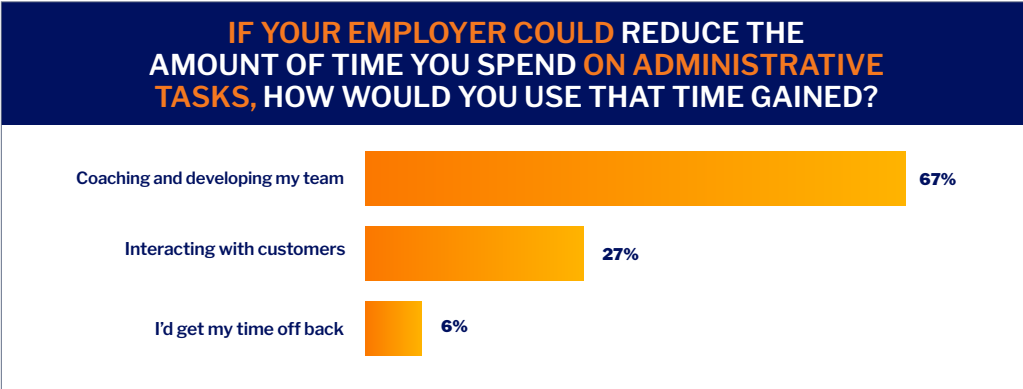


One in four managers cited matching employee needs to the businesses’ needs as the most time-consuming aspect of managing schedules. Nearly as many (**24%**) reported staying within labor budgets as the most difficult, and **22%** said their greatest difficulty was attracting and retaining employees. Less prominent responses included “creating fair and equitable schedules” (**11%**) and “motivating employees” (**10%**).

Time spent on administrative tasks directly impacts the time available for higher-value activities.

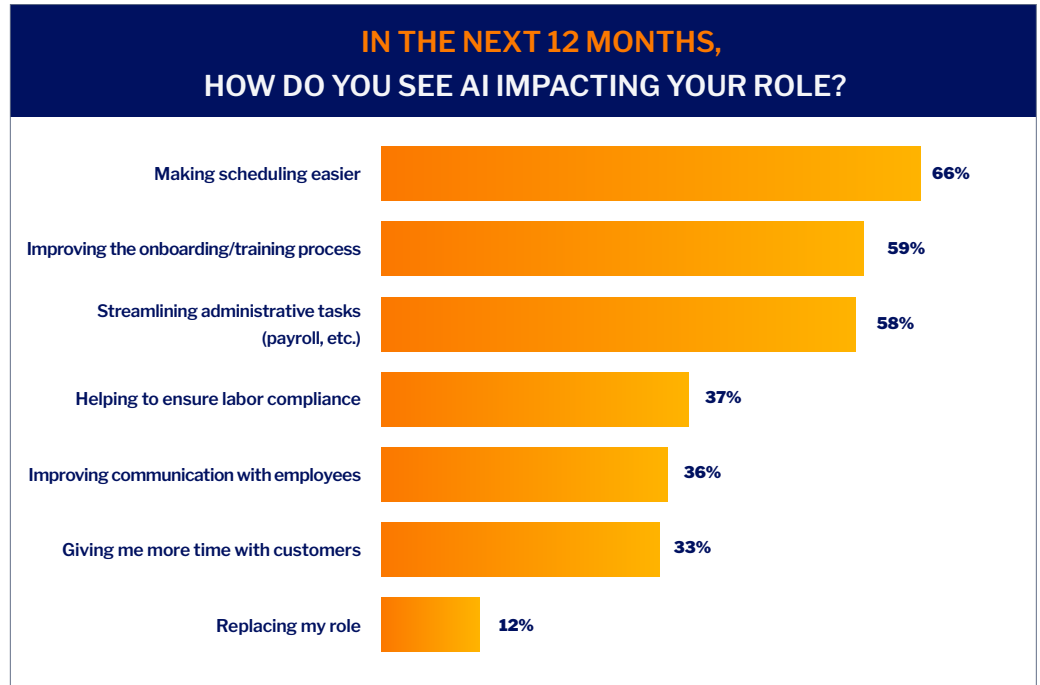


The time spent on administrative tasks directly impacts the time spent on higher-value activities. When asked, “If your employer could reduce the amount of time you spend on administrative tasks, how would you use that time gained?”, two-thirds (67%) of managers said they would spend that time coaching and developing their teams; 27% would spend that time interacting with customers.

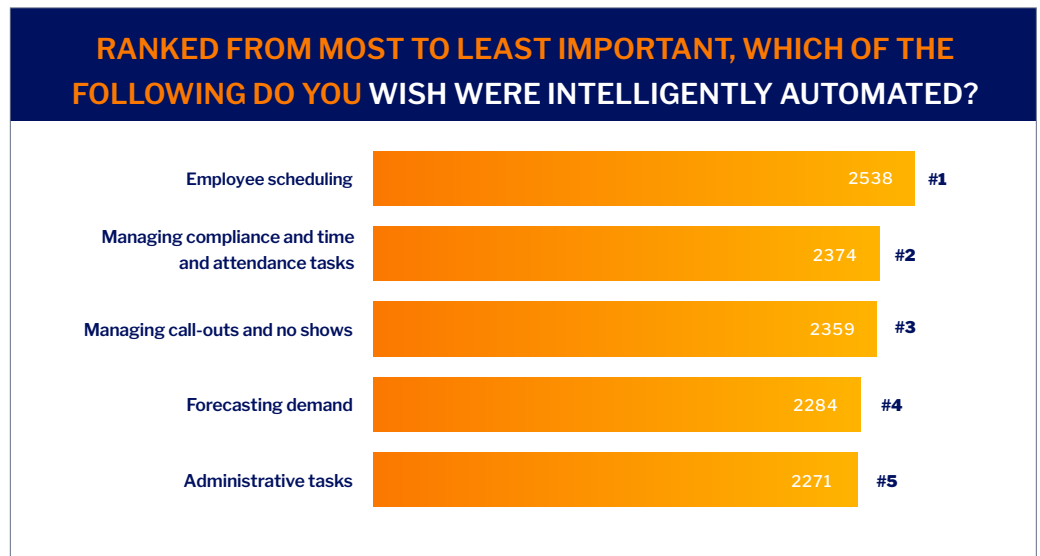


Managers Believe AI Can Make Scheduling Easier—But Few are Using It

Most managers are convinced that AI can make administrative tasks, such as scheduling, simpler and faster.



When asked to rank their preferences of tasks that could be intelligently automated from least important to most important, “employee scheduling” was rated first. “Management of compliance and time and attendance tasks”, as well as “managing call-outs and no-shows”, rounded out the top three responses.



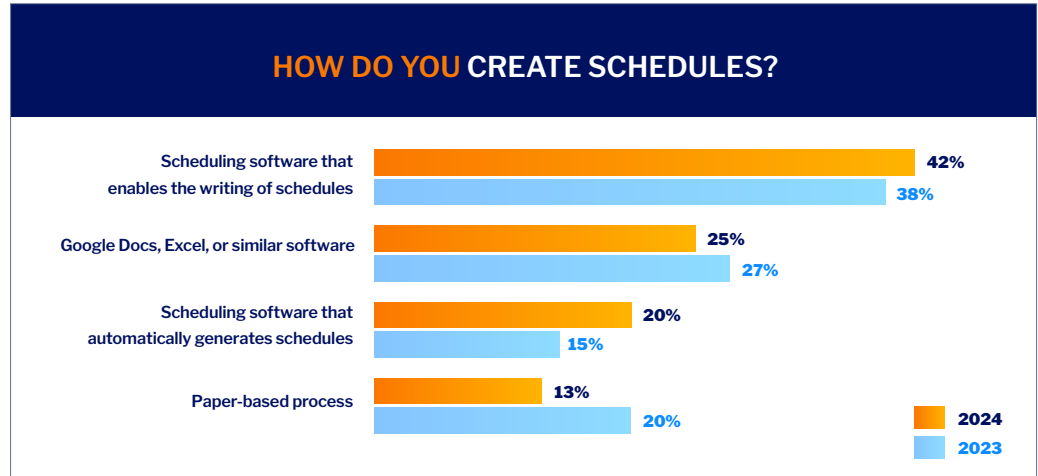
Employee scheduling is ranked as the #1 task managers wish were intelligently automated.

If you are using scheduling software that automatically generates schedules, what has been its effect on your scheduling process?

21% say it makes scheduling more difficult

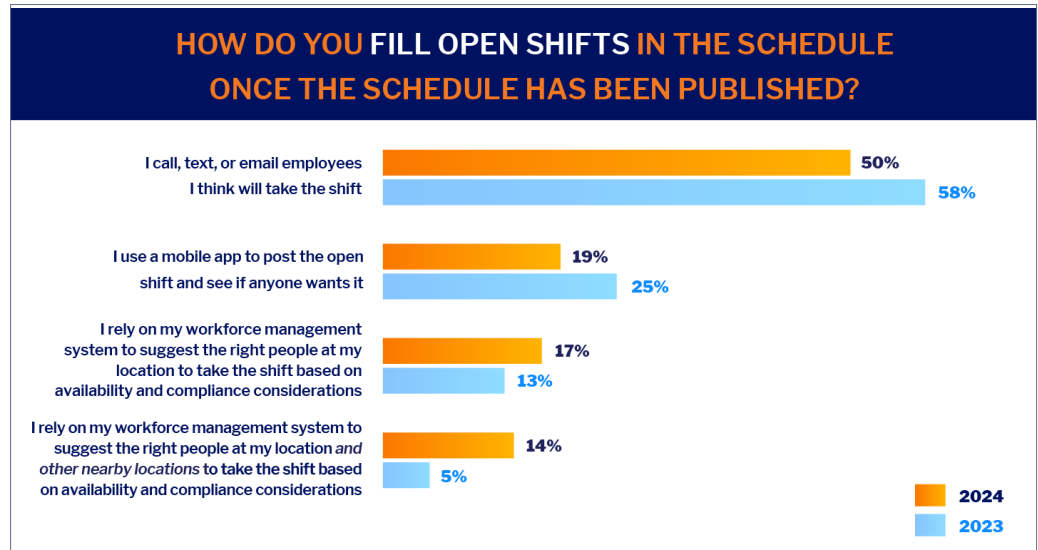
79% say it makes scheduling easier

However, while the majority of managers use scheduling-specific software to create employee schedules, only **20%** are using a program that automatically generates those schedules. More than **38%** of managers are still doing things the old-fashioned way, compared with **47%** in 2023. They are still relying on paper-based processes and simple software such as Excel.



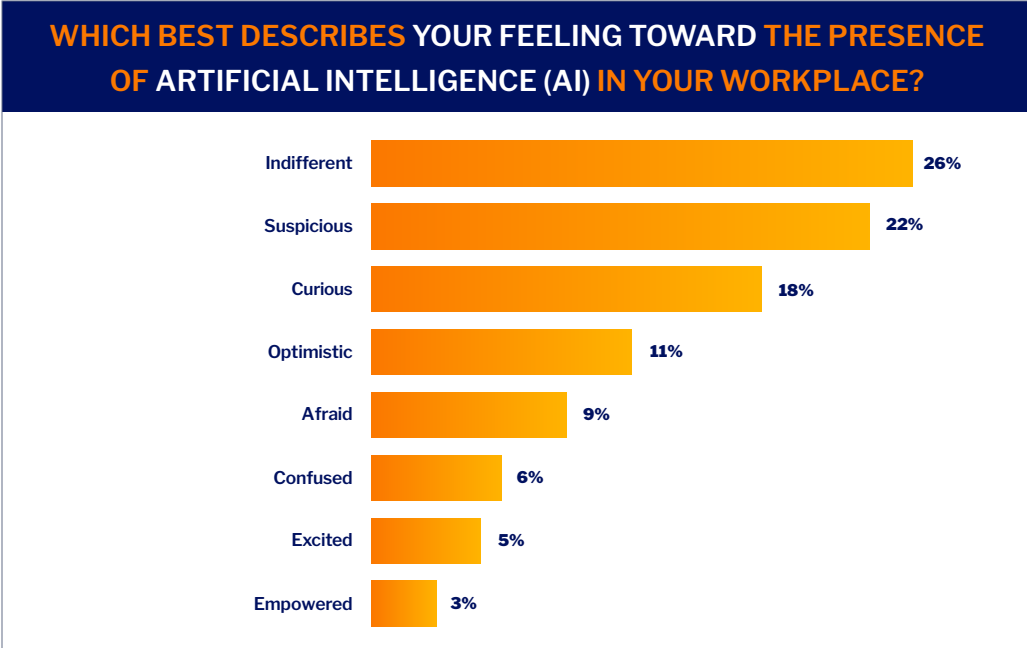
Strikingly, of the **20%** who are using software that automatically generates schedules, **79%** say it makes scheduling easier. Only **21%** felt it made the process more difficult.

Many managers are still relying on outdated processes to manage schedule changes. More than **50%** said they would call, text, or email an employee they thought would take a shift to fill gaps in the schedule.



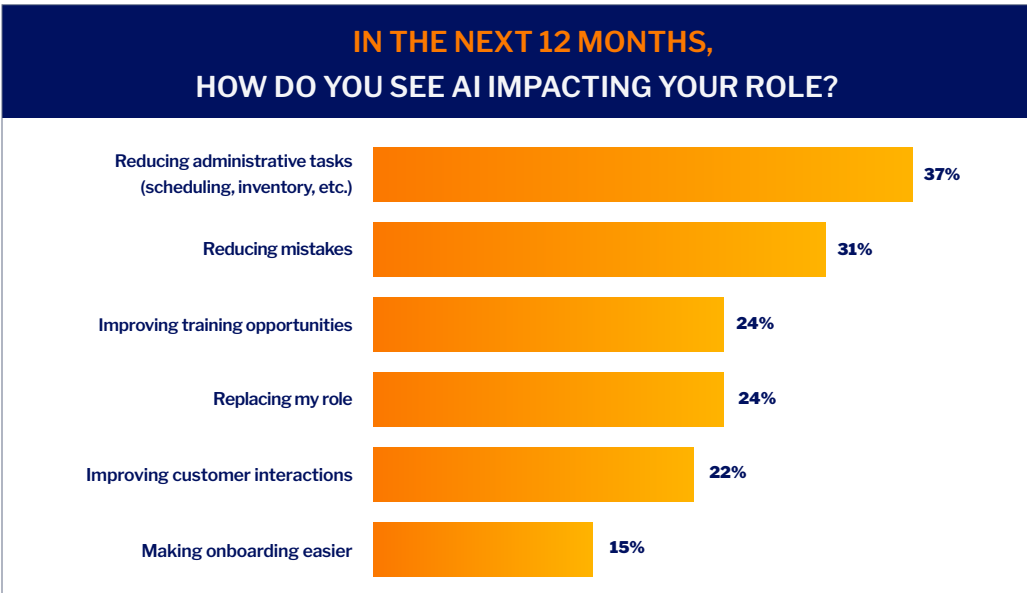
Hourly Workers Have Mixed Feelings About AI, but Recognize Its Potential

Hourly employees do not have the same confidence as managers that AI will improve the work experience, but most have not formed concrete opinions at this point. When asked to describe how the presence of AI in the workplace made them feel in a single word, the largest number of hourly workers (**26%**) said “indifferent.” This was followed by **22%** who felt “suspicious.”



More hourly employees than managers see AI replacing their role in the next 12 months: just **12%** of managers felt AI could replace them, compared to **24%** of hourly workers.

Fortunately, hourly workers do see AI impacting them positively. **37%** believe it could reduce administrative tasks (scheduling, inventory, etc.), and **31%** believe it could reduce their mistakes.



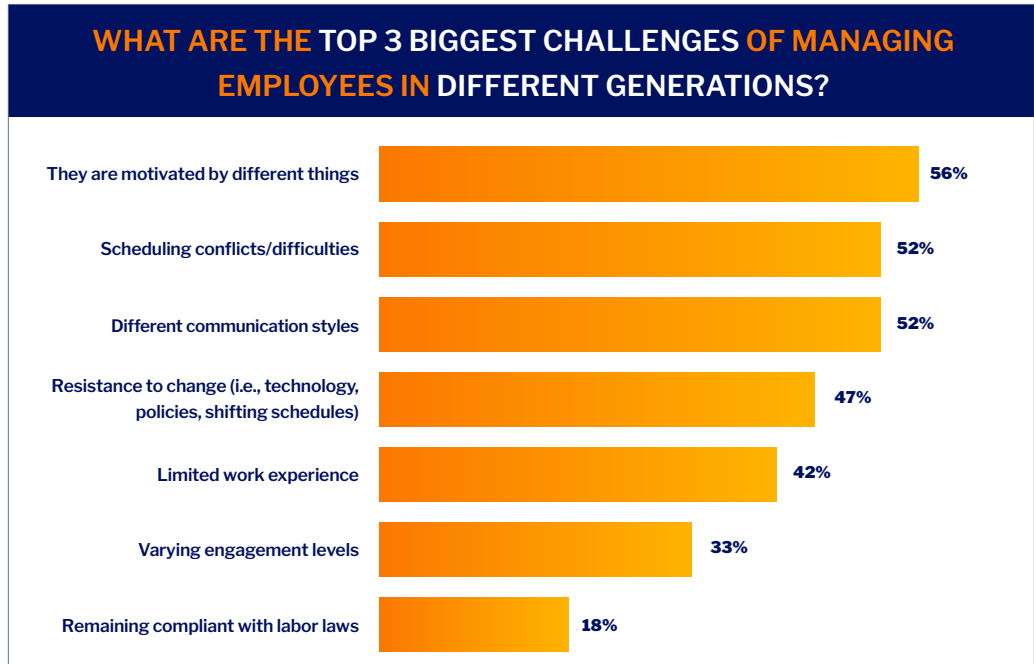
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The Workforce is Increasingly Multigenerational, Requiring Additional Flexibility

A majority of managers (56%) are hiring more retirees and minors in 2024, presenting new and unique challenges. When asked to pick the three biggest challenges they've encountered, managers listed inherent generational differences as their top responses:

- 56% of managers chose “they are motivated by different things” as one of their top three reasons
- 52% of managers selected “different communication styles”
- 52% also noted “scheduling conflicts/difficulties”

Other notable responses included “resistance to change (i.e., technology, policies, shifting schedules)” (47%), “limited work experience” (42%), and “varying engagement levels” (33%).



Year-Over-Year Comparisons

By and large, the contrasts between the 2023 and 2024 survey responses were notably small. However, a few variances do stand out:

For managers, the most striking difference was a substantial decrease in how important it was for the hourly workers they interviewed to align with the company’s mission and purpose—down from **11%** in 2023 to just **7%** in 2024. This suggests that flexibility continues to increase as a top priority for hourly workers, underscoring why thoughts of unionization are on the rise. The less employees believe employers are committed to giving them what they want, the less they care about the company’s mission and purpose.

For employees, the most noteworthy difference between 2023 and 2024 was the increasing importance of easily giving schedule input—from **39%** in 2023 to **45%** in 2024. This aligns with the larger trend of valuing flexibility and simplicity in scheduling, core elements of a more positive employee experience.

Flexibility continues to increase as a top priority for hourly workers, underscoring why thoughts of unionization are on the rise.



Recommendations for Employers



1. Focus on the human side of work to increase retention rates

Be proactive and aggressive about investing in intelligently automated, employee-centric workforce management that will improve the employee’s daily experience and deliver what hourly workers want—for example, increased schedule flexibility, early access to earned wages, improved communications, schedule fairness and predictability, and more control over their schedules.

Hourly employee expectations have changed, and the only way to consistently and with low effort deliver on their new requirements, is through technology and automation. By investing in employee-centric technology, **employees benefit** from increased flexibility and control, reducing both immediate attrition and the urge to unionize; **managers benefit** from a reduced administrative burden and have more time to spend with teams and customers; and the **business benefits** from higher productivity and an enhanced reputation as a great place to work.



2. Embrace AI and automation to create trust, transparency, and higher productivity

By using the technology to create more predictable schedules, automated time off and shift offers, frontline communications, and more, employers can demonstrate that they are prioritizing a flexible, transparent work environment that improves the experience, increases equitability, and raises the productivity of all workers.



3. Invest in change management

Robust change management processes are critical to success. Make sure key stakeholders are involved in the right stages of the project and articulate your vision for the organization’s future. Ensure managers and hourly workers are constantly apprised of the efforts and progress you’re making to enhance their work experience. Make certain your workforce management provider provides a highly rated and adopted mobile application.

Recommendations for Managers



1. Leverage technology that will enable you to automatically balance company needs with employee skills and preferences

In terms of ongoing schedule management, company needs and labor budgets need not conflict with employee skills and preferences. Through intelligently automated workforce management, managers can achieve this balance in less time and with less effort, and they can document best practices to simplify this task further.



2. Create an environment that meets the needs of an increasingly multigenerational hourly workforce

Use AI-powered workforce management to provide the flexibility needed to accommodate different motivations, communication styles, and scheduling conflicts/difficulties that arise, ensuring higher productivity and efficiency while enabling diverse teams to focus on what matters most.



3. Enhance communication and support within teams

Leverage automation to increase the frequency and quality of communication among workers and between workers and managers. Share kudos, updates, and other news with employees to build culture and community with your hourly employees.

Conclusion

The key takeaway from the 2024 State of the Hourly Workforce study is that employers urgently need to raise retention rates and boost morale among hourly workers and managers. The data shows that technology will enable hourly workers and managers to focus on the human side of work. The intelligent automation of workforce management alleviates the burden of repetitive, time-consuming tasks, enabling individuals to concentrate on the human elements of their work, and enabling both managers and hourly workers to enjoy a more positive and enjoyable work experience.

The next step is for more employers to transform the promise into reality. That requires a more in-depth exploration of the capabilities, costs, business advantages, and return on investment of specific products that can deliver a superb employee experience. We urge you to connect with Legion to investigate the opportunities for your company.

About Legion

Legion Technologies delivers the industry's most innovative workforce management platform, enabling businesses to maximize labor efficiency and employee engagement simultaneously. The award-winning, AI-native Legion WFM platform is intelligent, automated, and employee-centric. It's proven to deliver 13x ROI through schedule optimization, reduced attrition, increased productivity, and increased operational efficiency. Legion delivers cutting-edge technology in an easy-to-use platform and mobile app that employees love. Backed by Riverwood Capital, Norwest Venture Partners, Stripes, First Round Capital, XYZ Ventures, Webb Investment Network, Workday Ventures, and NTT DOCOMO Ventures, Legion is recognized as one of the fastest-growing private companies in America according to the Inc. 5000 and the Deloitte 500 rankings for two consecutive years. For more information, visit <https://legion.co> and follow us on [LinkedIn](#).

Visit legion.co to see what Legion WFM can do for your organization.