



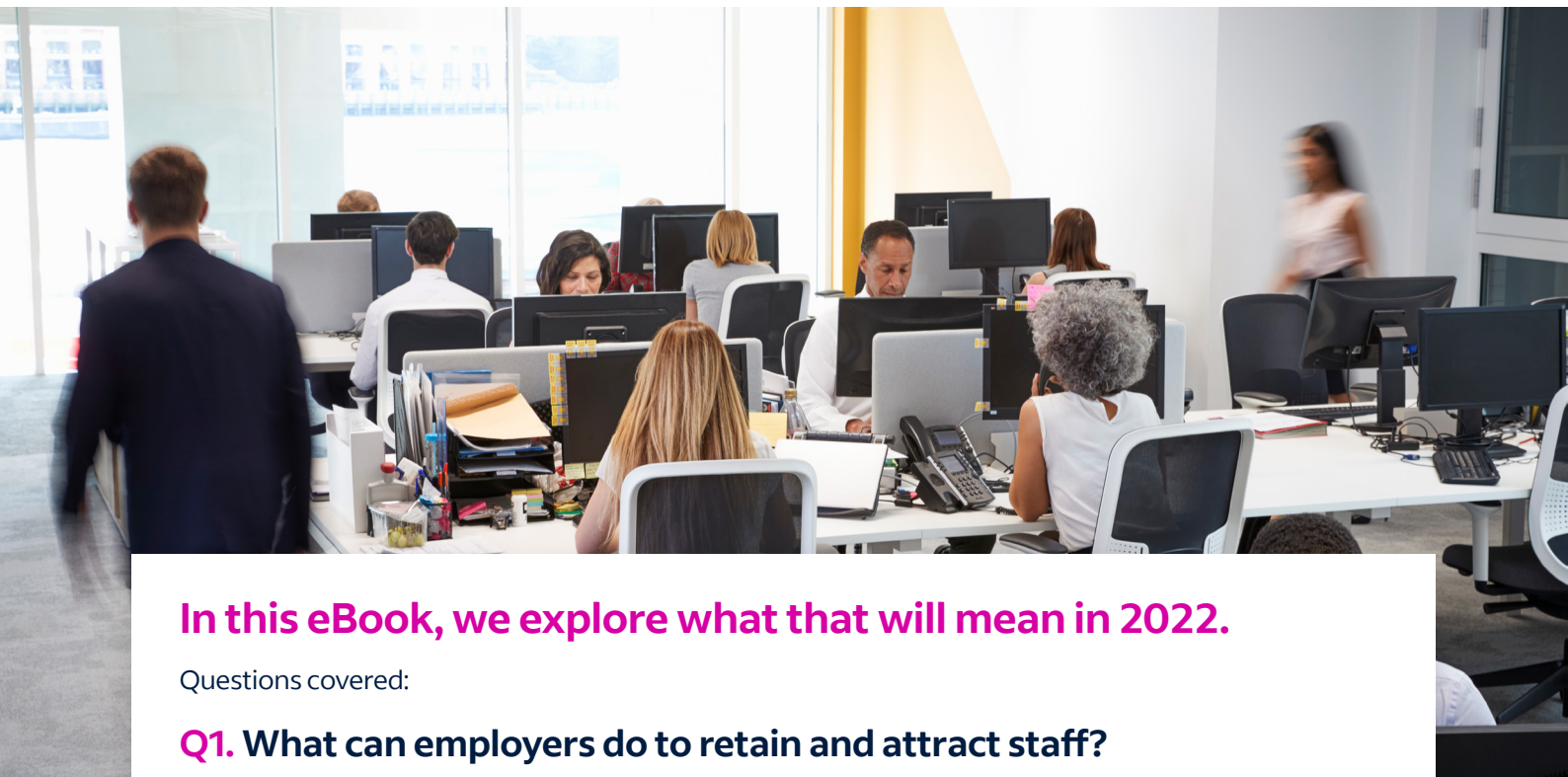
**The cost of living crisis:
managing your workforce
strategy this peak season**

Soaring prices are putting pressure on employers

53% of employers believe that the UK is entering a new, 'more unstable' period of employment relations¹. With inflation at a 40-year high², workers are demanding better pay and more support. But can employers afford it?

The pandemic has left a majority of businesses in a highly unsteady position; already buried under massive lockdown debts, supply chain blockers and staffing shortages have hampered their post-pandemic recovery. So while they will undoubtedly want to protect their workers, widespread wage increases are likely to be too much for many organisations to handle.

These concerns will come to a head during peak season, when employers traditionally need to expand their workforce to cope with increased demand



In this eBook, we explore what that will mean in 2022.

Questions covered:

- Q1. What can employers do to retain and attract staff?**
- Q2. How can they address the cost of living crisis without wiping out their bottom line?**
- Q3. Why is this peak season set to be uniquely challenging?**

¹ <https://www2.staffingindustry.com/eng/Editorial/Daily-News/UK-Tight-labour-market-falling-wages-and-inflation-could-lead-to-further-industrial-action-CIPD-warns-62271>

² <https://www.bbc.co.uk/news/business-61483175#:~:text=Prices%20are%20rising%20at%20their,in%20energy%20costs%20last%20month.>



Understanding the cost of living crisis

Workers are pushed to the edge

Our research has shown that nearly half of all workers report that they live “payslip to payslip”³, leaving them highly vulnerable to sudden price shocks. So when energy and food costs began to skyrocket earlier this year, many were unable to cope.

30% of employees now say their salary doesn’t cover their living costs⁴, with wages falling in real terms at the fastest rate on record⁵ - **19% are already taking on a second job to cope**⁶. However, this has led to serious problems, with widespread reports of exhaustion and burnout amongst those seeking to work every hour they can get⁷.

Ultimately, this has led to growing rates of industrial action and growing antagonism between employers and employees. All at a moment when businesses are already up against the ropes when it comes to recruitment.

42%

of employers expect to face increasing levels of industrial action over the next 12 months.⁸

^{3&4} https://www.totaljobs.com/recruiter-advice/wp-content/uploads/Salary-Squeeze-webinar_final.pdf

⁵ https://www.bloomberg.com/news/articles/2022-07-27/a-third-of-uk-workers-plan-to-take-a-second-job-to-pay-the-bills?utm_source=google&utm_medium=bd&cmpld=google

⁶ https://www.bloomberg.com/news/articles/2022-07-27/a-third-of-uk-workers-plan-to-take-a-second-job-to-pay-the-bills?utm_source=google&utm_medium=bd&cmpld=google

⁷ <https://www.independent.co.uk/news/uk/home-news/cost-living-crisis-workers-work-energy-bills-b2135037.html>

⁸ <https://www2.staffingindustry.com/eng/Editorial/Daily-News/UK-Tight-labour-market-falling-wages-and-inflation-could-lead-to-further-industrial-action-CIPD-warns-62271>

Fuel to the staffing shortage fire

Since the one-two-punch of Brexit and the pandemic, we have been operating in a candidate-driven market. With fewer workers willing to take on low-paying jobs, employers have had to compete for talent - leading to ballooning costs.

According to Indeed's research, there has been a **48% increase in job postings since before the pandemic** - with a 28% rise in salaries. Yet employers still report struggling to recruit staff.

The cost of living is fuelling this fire, with 47% of employers expecting to be forced to increase pay higher than inflation over the next 12 months⁹. Experts say this will eat directly into business's margins if not managed effectively¹⁰ - and 90% of businesses are still struggling to recruit staff¹¹.

A fifth of bars and restaurants have been finding it challenging to hire staff¹²



⁹ https://www.totaljobs.com/recruiter-advice/wp-content/uploads/Salary-Squeeze-webinar_final.pdf

¹⁰ <https://www.salesforce.com/uk/blog/2022/07/holiday-shopping-predictions>

^{11&12} <https://home.barclays/news/press-releases/2022/060/cost-of-living-crisis-and-staff-shortages-threaten-p36bn-hospita/>



The worst is yet to come

A majority of experts predict the cost of living crisis will reach its climax during peak season this year¹³, with some claiming bills could rise by £4,000 in the winter¹⁴. This is also the period when employers feel the greatest pressure to recruit staff - and a period they historically rely on for growth.

A survey has revealed that 37% of respondents think peak season will be busier than any other, but 50% say the employee shortage will make the peak retail season a difficult period¹⁵. Worse still, consumer behaviour will be more unpredictable than ever, as **42% more shoppers plan to start buying gifts earlier due to inflation**¹⁶.

Ultimately, businesses will have to be highly strategic about how and when they hire for peak season - especially given the huge competition they face from others in the industry.

Amazon hired 20,000 employees for peak season in 2021¹⁷



¹³ <https://www.reuters.com/markets/europe/uk-cost-living-crisis-peak-later-this-year-boe-press-with-rate-rises-2022-05-18/>

¹⁴ <https://news.sky.com/story/cost-of-living-live-updates-why-you-should-not-drink-coffee-before-going-shopping-12615118>

¹⁵ <https://hrnews.co.uk/peak-season-staff-squeeze-44-of-retail-leaders-fear-they-dont-have-enough-staff-to-cope-with-next-ecommerce-rush/>

¹⁶ <https://www.salesforce.com/uk/blog/2022/07/holiday-shopping-predictions>

¹⁷ <https://www.thisismoney.co.uk/money/markets/article-10087567/Britain-faces-shortage-seasonal-workers-Christmas.html>



An opportunity emerges in the labour market

The temporary workforce is growing

Indeed Flex surveyed 2,000 workers nationwide and found that a third of workers intend to start doing temporary work on top of their existing job¹⁸.

Not only that: a fifth of those already doing temporary work plan to take on more shifts, leading to a huge increase overall in the number of available temporary workers.

Londoners are the most likely to take up temporary work (17%), followed by people in the North West (12%). However, with 51%

of the general population open to taking on some temporary work in the next 12 months, these geographical concentrations do not mean other areas will not have access to temporary talent.

There are currently 1.65 million temporary workers in the UK¹⁹

“ Our research reveals that many workers have sold unwanted clothing and household goods to bring in extra cash, but temporary work is a more reliable source of income, The financial benefits of temping have been thrust centre stage. Temping offers an instant way for them to top up their earning power.”

Novo Constare - Chief Operating Officer and Co-Founder of Indeed Flex.

¹⁸ https://www.bloomberg.com/news/articles/2022-07-27/a-third-of-uk-workers-plan-to-take-a-second-job-to-pay-the-bills?utm_source=google&utm_medium=bd&cmpid=google

¹⁹ <https://www.statista.com/statistics/530216/temporary-workers-in-the-uk/#:~:text=There%20were%20estimated%20to%20be,1.45%20million%20in%20January%202020>



Five ways to tackle the cost of living crisis this peak season

1 Plan rotas ahead of time

Staffing for peak season requires a fine balance; the gap between understaffing and overstaffing can often be very narrow yet can heavily impact productivity and your bottom line.

According to our platform data, businesses can post twice the volume of shifts yet reach up to **30% higher fulfilment** simply by posting 4 or more weeks in advance. This highlights how important advance planning is to workers, and it also enables you to identify any gaps.

In fact, when shifts are filled at the last minute, workers demand more. Indeed Flex data shows that last-minute shifts still have a much lower chance of being filled, even when upping the pay rate by £5 per hour.

Last-minute job postings (within 3 days) compared to postings at least 2 weeks in advance are:

71%

more likely to have empty shifts²⁰

98%

more likely to no show²¹

Workers want certainty

Filling roles earlier also provides workers with a level of control over their future. Much of the widely reported stress around living cost increases is caused by a feeling of helplessness. By enabling employees to plan their finances in advance, you can enable them to take control.

2

Find the right partner

Hiring under such challenging conditions is much easier when you have the support of a trusted partner. From strategic guidance to the implementation of campaigns, finding the right business can be a game changer.

Indeed Flex provides everything you need to build a successful temporary hiring pipeline this peak season, with high-speed access to a high-quality, UK-wide workforce, a flexible range of services, from full autonomy to a managed solution, and best-in-class service.

We are a true 360 staffing partner to every one of our clients, helping them navigate the challenges of hiring during peak season to deliver a strategy that both fills shifts and protects their bottom line.



3

Address concerns in messaging

Many businesses will shy away from talking about the cost of living crisis with recruits - fearing that doing so will put them at a disadvantage in negotiations. But those that are able to show employees that they understand the challenges they face - and crucially, that they care - will instantly appeal more to candidates.

This could be achieved through the messaging in your job ads; through the benefits you offer candidates; or through social media campaigns. **84% of employers are taking steps to support staff in managing rising living costs²²** - and it's important that those businesses promote that fact.



4

Make your venues accessible

Proximity is a massive factor you should never ignore when hiring - especially if you're looking to keep costs low. The average commute time in the UK is 62 minutes²³, and many workers would much rather avoid this than take a slightly larger pay cheque.

Making your venues accessible - whether through subsidised travel, better communication about transport links or company pick-up buses - holds the potential for massive differentiation. Given that many employees are now likely to have multiple jobs, helping to ensure they don't spend their entire peak season working or getting to work will make you far more appealing as an employer - and potentially able to secure talent for less money.

Location-as-benefit

Many businesses will benefit from targeting local talent when hiring, enabling them to offer the closeby venue as an active benefit. While this won't be possible in all cases, it is an underutilised strategy that can help appeal to workers who are resistant to commuting.

²³ <https://www.sme-news.co.uk/new-survey-reveals-large-regional-differences-in-workers-commuting-experience/>

5

Utilise more temporary workers

With a third of workers intending to take on temporary work to combat cost increases²⁴, employers have an opportunity to solve many of their ongoing staffing shortages - especially if they tap into underutilised talent pools.

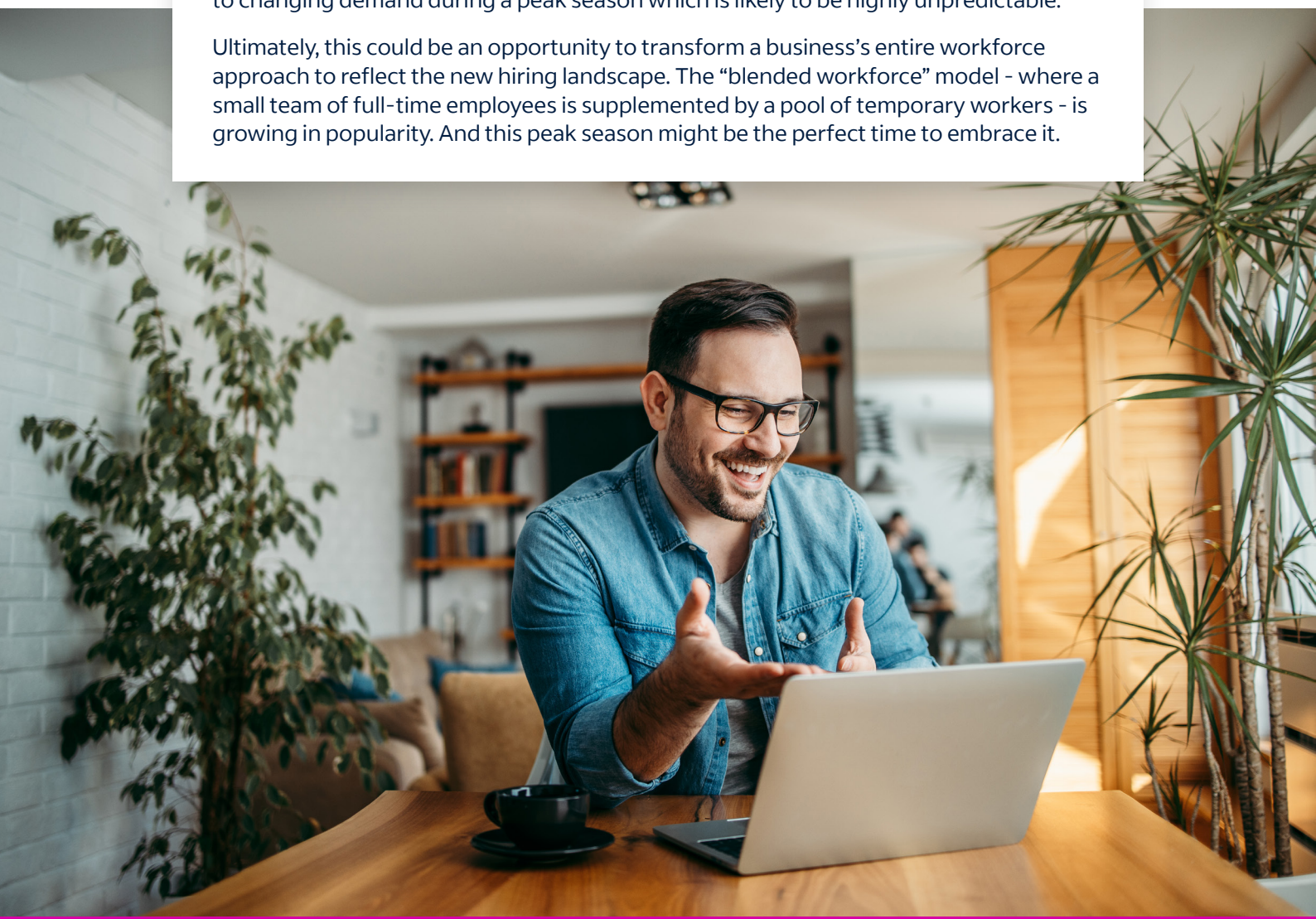
There are large groups of workers who many businesses don't consider hiring - or at least heavily underutilise. Groups like retirees, students and individuals with limited disabilities are ideal candidates during Peak Season, yet many businesses will not specifically target these groups.

As the cost of living crisis reaches its peak, there will be an even larger segment to work with here. **62% of students are currently worried about being able to afford food while at university**, and 92% plan to do temporary/ part-time work to help support themselves.

These groups are more flexible

Not only is there less competition for underutilised groups - they are also more likely to be flexible with their time. This enables you to respond to short-term needs, and adapt to changing demand during a peak season which is likely to be highly unpredictable.

Ultimately, this could be an opportunity to transform a business's entire workforce approach to reflect the new hiring landscape. The "blended workforce" model - where a small team of full-time employees is supplemented by a pool of temporary workers - is growing in popularity. And this peak season might be the perfect time to embrace it.



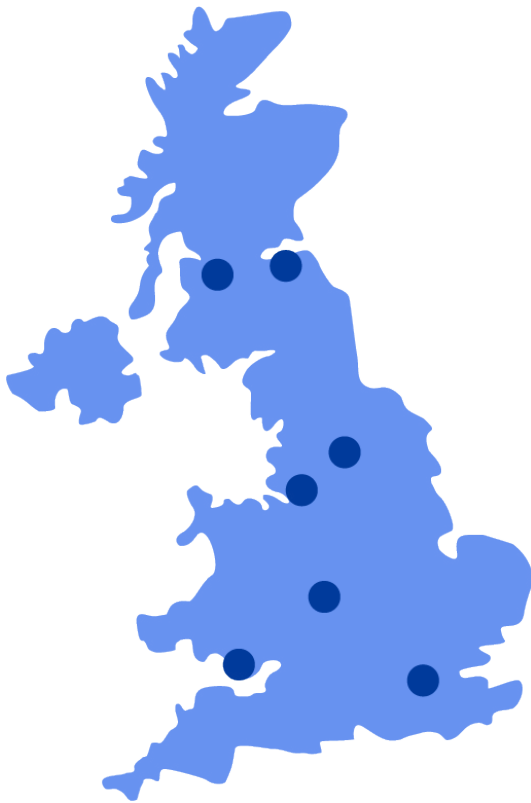
²⁴ <https://www2.staffingindustry.com/eng/Editorial/Daily-News/UK-Third-of-workers-plan-to-take-on-temporary-work-to-boost-income-amid-cost-of-living-crisis-62506>

Interested in learning more?

Book a meeting with one of our experts to discuss how Indeed Flex can help assist you with your staffing needs today.

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enquiries@indeedflex.co.uk

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