

# The Employee Burnout Crisis

## U.S. Survey Shows Burnout Is Undermining the Retail Workforce

Employee burnout is now the biggest threat to the retail industry. In a recent survey conducted by Kronos and the Future Workplace research firm, Kronos found that 95 percent of respondents admit burnout is sabotaging their workforce.<sup>1</sup> Of the 614 leaders surveyed, 63 identified their field as a retail or hospitality organization. While that represents an overwhelming majority, burnout may be more manageable than many think if retailers are willing to be proactive about it. Survey respondents from across the country provided a candid look at the causes of burnout and how it contributes to turnover.

### The cost of talent “burn and churn”

It’s not surprising that building an engaged workforce is difficult. Burnout affects organizations of all sizes, and larger ones even more so. Fifteen percent of the survey respondents with more than 2,500 employees stated that burnout causes 50 percent or more of their annual turnover.

### Burnout issues within HR’s control

The top three issues contributing to retail burnout were identified by respondents as unfair compensation (46 percent), unreasonable workload (29 percent), and poor manager/management (27 percent).

The survey reveals that retail associates may not be working too many hours but rather are being given too many responsibilities. Store managers are also being asked to do more than ever. In addition to traditional store operations, they have to focus on omnichannel access and emerging digital shopping trends that are changing the way associates are scheduled and managed. Retailers may want to rethink how jobs are assigned/scheduled (more rotations, even within a given shift), consider additional cross-training, and find innovative ways to help associates provide feedback to leaders.

Respondents also identified key burnout factors that fall under talent management, employee development, and leadership that should be in their control, including employees seeing no clear connection between their roles and corporate strategy (29 percent) and a negative workplace culture (26 percent).

### Barriers to improving retention

Despite 87 percent of overall respondents calling improved retention a critical or high priority over the next five years, 20 percent said there are too many competing priorities to focus on fixing the issue.

Overall, nearly one out of five respondents reported the current technology is too manual and lacks automation of repetitive administrative tasks, which weakens their ability to act strategically to fix big problems.

The study also pointed out that 15 percent say a lack of funding is the biggest challenge to improving employee engagement, and 14 percent<sup>2</sup> say they lack executive support. If executives don’t see a need to improve engagement, they won’t be inclined to provide funding. But retailers now have the opportunity to make changes at the store level that don’t require extra resources or executive sponsorship.

### Recruiting new vs. retaining existing talent

Despite the costs of employee turnover, organizations are more likely to invest in recruiting new employees than in retaining existing talent. The survey found that 97 percent of respondents are planning to increase their investment in recruiting technology by 2020, including nearly a quarter (22 percent) who anticipate a 30-to -50 percent increase in spending.

## SIGNS OF EMPLOYEE BURNOUT



Increased absence and tardiness



Decreased productivity



Higher turnover rate



Poor customer service

However, budget was continually cited by respondents as a deterrent to programs that would help retain existing talent. This includes 27 percent who said funding is the biggest hurdle to implementing new HR-related technology, such as tools that would reduce manual or administrative work so they could act more strategically, and 16 percent who said lack of budget is the primary obstacle to improving employee retention in the next 12 months.

## The way out of burnout

Many retailers continue to react to burnout after the fact rather than put pre-emptive measures in place — replacing talent as it's lost and creating a never-ending cycle of turnover that undermines larger engagement initiatives.

Today's advanced technology solutions empower HR and operations managers to be more proactive in preventing burnout, such as providing the ability to schedule rolling rest periods between or even during shifts for up to a year. Workforce analytics also provide valuable insight into scheduling and absenteeism trends that may indicate an employee is on the path to burnout, so corrective changes may be made.

## Kronos workforce solutions

Kronos solutions can be implemented as part of an overall strategy for improving your culture and employee experience. With a wide range of tools to meet the needs of your organization and industry, Kronos offers capabilities that can help you effectively manage burnout and engagement to support and retain a high-performing workforce, including:

- More effective ways to track and manage attendance and absences
- Innovative self-scheduling tools that give employees control over where and when they work
- Advanced forecasting that reduces the risk of over-and-under scheduling
- Workforce Advisor, which can make recommendations on routine tasks, such as time-off requests, based on historical data and analysis

- User-friendly embedded analytics that allow managers to monitor the issues that drive burnout
- Access to individual store-level data to make better business decisions

Organizations with automated versus manual scheduling are 1.6 times more likely to have above-average engagement, 81 percent more likely to have better customer retention than competitors, and 1.8 times more likely to have lower-than-average turnover rates. Organizations with consistent scheduling are also 174 percent more likely to have a highly engaged workforce.

## About Kronos

Kronos is a leading provider of workforce management and human capital management cloud solutions. Kronos industry-centric workforce applications are purpose-built for businesses, healthcare providers, educational institutions, and government agencies of all sizes. Tens of thousands of organizations — including half of the Fortune 1000® — and more than 40 million people in over 100 countries use Kronos every day. Visit [www.kronos.com](http://www.kronos.com). **Kronos: Workforce Innovation That Works™**.

## Survey methodology

Research findings cited above are based on a survey conducted by Morar Consulting fielded across the U.S. between Nov. 14 and 19, 2016. For this survey, 614 HR professionals, including 63 in retail HR, were asked about their views on workplace innovation and technology used in HR. The study targeted HR managers/directors, VPs of HR, and CHROs working at medium to large enterprises (minimum of 100 employees) across different industry sectors. Respondents were recruited by Morar Consulting through a number of different mechanisms via different sources to join the panels and participate in market research surveys. All panelists passed a double opt-in process and completed on average 900 profiling data points prior to taking part in the surveys. Respondents were invited to take part via email and were provided with a small monetary incentive for doing so. All sample surveys may be subject to multiple sources of error (e.g., sampling error, coverage error, measurement error, etc.).

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For more information about employee burnout in retail, visit  
[kronos.com/CompetitiveDifferentiation](http://kronos.com/CompetitiveDifferentiation)

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<sup>1</sup>Future Workplace LLC and Kronos Incorporated, *Employee Engagement Lifecycle Series* (November 2016).

<sup>2</sup>Kronos Incorporated, *The Employee Burnout Crisis: Study Reveals Big Workplace Challenge in 2017* (Jan. 9, 2017), found at <https://www.kronos.com/about-us/newsroom/employee-burnout-crisis-study-reveals-big-workplace-challenge-2017>.