

Short-Staffed: Worker Shortages & Fatigue (August 2022)

As we learn from the business community, we want to share that information with our community of educators and business professionals. One trend highlighted during a May 2022 business focus panel is the impact of worker shortages and fatigue on recruitment and retention. The following Action Brief is a synthesis of panel participants' insights and findings from additional research.

The Great Resignation—Or The Great Reshuffle?

The term “The Great Resignation” has been used to describe the major disruption in America’s labor force as unprecedented numbers of workers—nearly 50 million—voluntarily quit their jobs. [According to the U.S. Chamber of Commerce](#), this mass exodus was a result of workers “in search of an improved work-life balance and flexibility, increased compensation, and a strong company culture.”

But those who left their jobs aren’t necessarily leaving the labor market—they just aren’t returning to the jobs they had before. Because many workers are being hired elsewhere, the labor force disruption might be more aptly called “The Great Reshuffle.” [According to the Harvard Business Review](#), “hiring rates are exceeding quit rates across many sectors, which suggests that high wage growth is attracting new applicants to open positions— and that many workers are both able and willing to accept jobs that are sufficiently attractive.”

As a result, some businesses—especially those in food service and hospitality, which have historically offered lower wages, [according to the Center for American Progress](#)—are finding themselves short-handed.

The Part-Time Worker Shortage & Worker Fatigue

Panel participants shared that the availability of part-time staff for hospitality jobs is very limited right now. Quite simply, there are not enough people willing to come back to work the part-time shifts needed to reboot the hospitality industry. While companies are trying to capitalize on reduced COVID-19 gathering restrictions by reopening for in-person dining, events, and performances, the staffing resources needed for this effort are simply not available.

According to panel participants, the major factors driving the part-time worker shortage include the following:

- Former restaurant and hospitality workers are being more selective about employment post-COVID
- Many opportunities exist for former part-time staff to work remotely in other industries
- People are choosing retail for more predictable hours
- Job security is more important now, so fewer workers want to be independent contractors

Additionally, in this post-pandemic society, people are saying they want to spend more time with their families—and many often don’t have a choice. While there are scores of employees quitting and starting new jobs, [a report by the U.S. Chamber of Commerce](#) shows that “nearly one in three (33%) women indicated that the need to be home and care for children or other family members has made the return to work difficult or impossible.”

To complicate the challenges businesses are currently facing, the worker shortage does not just impact the products and services a business can offer its customers—it also affects those currently employed, who must shoulder additional responsibilities as a result. To compensate for the worker shortage, employees acting in dual-role positions are commonplace now. This added responsibility is causing great strain—fatigue—for those who continue to work in the frontline hospitality industry.

Recruiting/Retention Challenges

In response to the worker shortage, companies are having to barter to bring workers back. It's incredibly important now for companies to set themselves apart to attract new employees—however, it's hard to stand out when everyone is vying for the same employees. [According to Nation's Restaurant News](#), large corporations like McDonalds, Taco Bell, and Papa John's have taken steps to attract workers post-pandemic, from raising their minimum wage to expanding vacation time to offering bonuses.

With rising costs (another documented trend), however, hiring managers—especially those of small businesses—can only go so far in terms of increasing wage offers. This can lead to impulsive decisions when hiring, resulting in less-than-ideal candidates for the job. Participants told us that students don't see customer service and a strong work ethic as a necessity right now, at least not in exchange for a part-time wage. Many employers are hearing, "I don't get paid enough to do this."

This is a common sentiment. [According to On the Line](#), the pandemic exacerbated what have long been issues in the restaurant industry: "Wages are often too low, benefits are few and far between, and employees are not feeling valued for their work, or incentivized to stay long-term."

There aren't easy answers to the recruiting and retention challenges businesses are facing. Panel participants told us there is increasing dissonance between what they seek in employees and what entry-level workers bring to the table. One participant asked, "How do we teach [students] upper-level skills when their skills are basic at best?"

In an [article for the American Bar Association](#), employment lawyer Emily Litzinger suggests this may be an opportunity for employers: "Employers are facing a watershed moment: an opportunity to repair some of the damage caused by the pandemic and create workplaces that are inclusive and support employees." Despite the associated challenges, businesses will likely need to invest in workers now to ensure staffing needs are met by long-term employees in the future.

Links for further reading:

- [What is a Labor Shortage?](#)
- [How Fixing Our Worker Shortage Can Fight Inflation](#)
- [Dire US Labor Shortage Provides Opportunity for Ex-Prisoners](#)
- [How the Great Resignation is Turning into the Great Reshuffle](#)
- [There Are Millions of Jobs, But a Shortage of Workers: Economists Explain Why That's Worrying](#)

Discussion Questions:

- How has COVID-19 and the push for remote work impacted the labor force in America? Do you think these changes are temporary, or here to stay?

- If you have a job, has your place of work struggled to hire workers? How has this impacted your experience as an employee? If you do not have a job, consider how the idea of ‘worker fatigue’ might be applied to group projects for school. What happens when one or two people are expected to carry the whole team?
- What are the ethical implications of asking employees to shoulder additional responsibilities in response to the worker shortage? Is it fair for businesses to encourage these ‘dual-role’ positions? Should businesses do whatever is needed in order to remain afloat?
- What steps should be taken to address the differences between entry-level employee/student skillsets and what employers are looking for? Who should be responsible for taking these steps?

Sources:

- [Understanding America’s Labor Shortage: The Most Impacted Industries](#)
- [The Great Resignation Didn’t Start with the Pandemic](#)
- [It’s a Good Jobs Shortage: The Real Reason So Many Workers Are Quitting](#)
- [Understanding American’s Labor Shortage](#)
- [The Labor Crisis: How Can Restaurants Hire and Retain Staff?](#)
- [How to Survive the Restaurant Industry Labor Shortage](#)
- [New Year, New Approach to Curbing the Labor Shortage](#)