

# EBSCO

## Business Book Summaries

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### Hourly

#### Empowering the Invisible Workforce for Shared Success

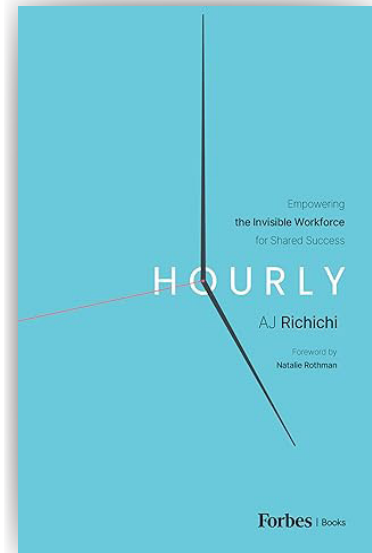
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### KEY TAKEAWAYS

- Unearth the demographics, challenges, and misconceptions of the “invisible workforce” to discover who and what really powers the economy.
- Acknowledge the current hiring process crisis and adopt new, technological solutions to influence the operational success, brand reputation, and financial health of your organization.
- Invest in the health and well-being of your employees and you’ll be rewarded with engaged, productive employees as well as a positive return on your investment.
- Shift your mindset and explore practical and impactful business solutions to meet the challenges of your hourly workforce and increase retention and productivity.
- Allow your workforce to be seen and heard, no matter their level in the hierarchy.

### OVERVIEW

It’s time to take off your blinders and embrace a future of tremendous change. In **Hourly**, author and CEO AJ Richichi shares various case studies and lessons learned to help you hire the best people for your culture and improve the conditions for your hourly, or “invisible,” workers. Move past misconceptions, unlock the full potential of the invisible workforce, and gain a competitive edge by reevaluating and reforming your approach to employment, equity, and economic security.

### THE MISUNDERSTOOD MAJORITY

The “invisible majority” punches a time clock every day for hourly pay, powers the economy, and has significant depth and diversity. Yet this group is often taken for granted, stereotyped as transient and inexperienced, and generally misunderstood. For example, most people don’t realize that:

- Approximately 56 percent of Americans (78,700,000 people) work for hourly pay.
- About 20 percent of the invisible majority are under the age of 26.
- Millennials and Gen Xers make up the two largest cohorts.
- Older Americans, the “baby boomers,” are forced to return to work because of inflation and the shrinking labor markets.
- Approximately 85 percent have a high school diploma, while only 14 percent have a bachelor’s degree (compared to 40 percent of all Americans).
- Most hourly workers are under-resourced, lack access to financial literacy education, and rarely have a credit history.
- Of the invisible workforce, 2 percent earn less or equal to the federal minimum wage, which hasn’t changed in 15 years.

To humanize the hourly workforce, broaden your perspective and reflect on the negative experiences a person must go through prior to the first day of employment, such as the online or in-person job hunt and subsequent steps involved in screening and selection. Because hourly workers are conditioned to have more jobs and routinely experience rejection and toxicity in various work environments, they become frustrated as they submit themselves to this difficult and time-consuming process up to a dozen times a year.

## THE HIRING CRISIS

Both job seekers and employers continue to face labor-market difficulties due to the following employment challenges:

- *An outdated process.* Business managers continue to lose time and money by maintaining traditional hiring processes of the *applicant flow fallacy*: the high volume of applicants yet low-intent job seekers in their tracking system. Job seekers complain about not “getting the interview,” while managers are ghosted and overwhelmed, and fail to realize the importance of contacting top candidates as soon as possible.
- *An unprecedented pandemic.* The process for hiring hourly employees was fundamentally flawed prior to the pandemic, which became an accelerator and a disruptor that exposed and exacerbated the cracks in the system. Many employers offered signing bonuses, incentives, and college tuition reimbursement as they faced the “Great Resignation,” just to be inundated with applicants post pandemic due to “one-click-apply” tech solutions.
- *Generational gaps and mismatched mindsets.* Teenagers become overwhelmed as they placate adults, navigate interviews, and coordinate travel, while millennials and Gen Zers expect to hear from managers quickly, and stay hyperconnected to managers who are swamped with applications and have limited manpower to support the process.
- *Lack of solutions.* Technological advancements in human resources (HR) remain stagnant and often face internal opposition, while in other industries, artificial intelligence, big data, and automation have progressed by leaps and bounds. Despite the urgency for innovation, systemic barriers, such as the challenges of selling and servicing small and medium-sized businesses, investors continue to believe the myth that the HR space is uninvestable.
- *Joint employers.* Big brand companies in the fast food and home services industries employ millions of hourly workers, have high employee turnover, and are often franchised and require strict stan-

standardization. However, because of joint employer law, franchisors hesitate to mandate the handling of “people” out of fear of lawsuits and complaints, leaving inconsistent and unpredictable HR policies.

## WHY BUSINESSES SHOULD CARE

To be profitable, leaders must recognize that treating hourly workers isn’t only better for humanity in general, it’s a worthwhile business decision. When turnover in the hourly workforce exceeds 100 percent yearly, the consequences of overlooking hourly workers include the following high costs:

- *Cost of compounding turnover.* When hourly workers quit because of mistreatment, workers left behind are forced to pick up the slack, leading to burnout and possible resignation. In addition, managers take countless hours to review résumés, conduct interviews, and fill in vacant schedules, all while attempting to also cover daily managerial responsibilities.
- *Cost of turnover.* Because it costs between \$1,500 and \$10,000 to replace a single hourly employee due to lost productivity, recruitment costs, and time for training, studies reveal the financial costs to businesses in the United States amount to \$1 trillion annually. The first 90 days of employment, “the magic window,” become critical.
- *Cost of “quiet quitting.”* When employees aren’t engaged and simply do the bare minimum, they’re considered to be quiet quitting, which has a negative, ripple effect on everyone they come across. This results in the loss of repeat customers, positive reviews, and added revenue.
- *Cost of bias.* Hundreds of thousands of dollars in lawsuits have accumulated over the past few years due to bias in the hiring process, whether conscious or unconscious. When diversity, equity, and inclusion are valued, employee morale is boosted—as is customer image and brand.
- *Cost of prioritizing salaried workers.* More effort into recruiting, screening, and interviewing occurs with salaried workers, leaving this process a little “less broken.” If leaders similarly increased the retention of hourly workers—by welcoming new hires, incorporating onboarding plans, and scheduling frequent check-ins like they do with salaried workers—turnover could reduce significantly.

## SOLUTIONS

Before executing a plan to solve your hourly worker challenges, talk to your employees about their needs, values, and desires. Foster a more supportive and equitable work environment by acknowledging their hardships, listening to their feedback, and letting them know they’re seen and heard.

Take a holistic approach that goes beyond mere wage increases. Explore the following innovative business solutions to fit your specific needs and goals:

- *Financial empowerment.* Allow for customers to tip employees in your digital payment technology, offer a 401(k) plan with employer matching programs, and extend equity ownership, stock options, and periodic retention bonuses to increase employee retention and longevity. Daily pay is also on the rise in innovative organizations to help employees meet day-to-day responsibilities.
- *Growth and development opportunities.* Invest in employees’ futures with tuition reimbursement programs, certification courses, and internal virtual and in-person training opportunities. When you promote from within and offer financial literacy training, you empower your employees, improve their skills, and encourage them to stay.
- *Health and wellness programs.* Acknowledge the difficulties with paid time off, and offer employee benefits that include sick days, childcare services or support, meals during shifts, and gym member-

ship to garner healthier and happier employees. These small costs for mental health are minimal compared to the high compounding cost of turnover.

- *Diversity, equity, and inclusion efforts.* Nip bias in the bud and reduce unfair barriers. Provide fair hiring practice training for managers, hire a consultant and a chief diversity officer, and use HR tech platforms to ensure that your diversity and equity practice isn't just a one-time action.
- *Company culture initiatives.* As a baseline, learn the names of your workers. Consider scheduling regular happy hours, offering employee recognition programs, and ensuring open lines of communication between employees and employers to foster a positive work environment. Highlight top performers and make sure your internal social media platform recognizes and celebrates these wins.
- *Recruitment solutions.* Bring respect and dignity to the invisible workforce before a person even starts the job. Engage with potential employees through social media and create gender-neutral, inclusive, and appealing job postings on several different platforms.
- *Employee selection solutions.* Show you care and put effort into the interview by offering a range of available times, creating a two-way conversation, or fashioning a preemployment assessment in place of an interview to evaluate employees more effectively and fairly.

## THE FUTURE OF WORK

Although the future brings tremendous change, it remains hopeful and bright. Be prepared, invest in new solutions, and embrace the following trends to best impact the labor market:

- *The generation that will power it (Gen Z).* Anyone born between the mid-1990s and early 2000s has been stereotyped as lazy, entitled, and tech-addicted. Yet, this generation has its own stories and strengths and is posed to rebuke the status quo. How they create and change the future of what work looks like remains to be seen.
- *Mobile-first everything.* As cell phones and text messaging become commonplace, applicant tracking systems, mobile friendly job boards with quick text-to-apply features, and website career pages that include easy uploading will eliminate ghosting and demonstrate the ease required to apply.
- *Everything will be faster.* A fast hiring process is of the utmost importance to remain competitive and secure top talent. Top leaders will simplify the hiring process with up-to-date software and AI-powered virtual recruiters that use engaging responses, all via text messaging.
- *Community-based workplaces.* To establish a positive environment, provide mentorship, and continue to build engagement post hire, leaders can build success and make every day feel like a team effort.
- *Better benefits and flexibility.* As Gen Zers fill vacant employment positions, they're demanding more from their employers regarding financial and mental health benefits. Ask how your benefits program can be adapted to attract and retain new workers.
- *Increase in gig culture.* Tech is at the core of these short-term contract roles that offer flexibility and financial supplement opportunities to many hourly workers.
- *No résumés or cover letters.* Many Gen Zers question the idea that one page can capture who they really are. Companies like LinkedIn fill the résumé space better with easy access, familiarity, and profile information that's easily skimmed and quick to use.
- *Have no fear, AI is here.* Paradoxically, allowing AI to take over some human-driven tasks may help humanize the hourly workforce and prioritize their unique skill set. There will always be a need for workers.

- *How tech can drive the future of the hiring process.* Instant alerts, frictionless processes, and lack of bias can help reduce the challenges faced and hoops to jump by millions of workers looking for a job.

## CONCLUSION

Because the hourly workforce is largely under-resourced, lacks opportunities, and is hurting, society must shift its mindset and embrace the necessary change. Even though numerous laws have been passed over the years to improve working conditions, progress must move faster to humanize the workforce and create a positive influence for this invisible group.

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## ABOUT THE AUTHOR

**AJ Richichi** is a tech innovator committed to excellence and community impact. He blends his passion for technology with a dedication to public service. Recognized as a top talent in the tech industry, he has received accolades such as “Best and Brightest Under 35” and “Technology Executive of the Year.” Richichi actively contributes to the community, co-chairing Charleston Open Source and founding DisruptHR Greenville. As CEO and founder of Sprockets, he pioneers equitable connections between millions of hourly workers and global brands. Richichi epitomizes modern leadership, driven by compassion and a vision for a tech-driven future benefiting the hourly workforce.

### **PURCHASE THE BOOK**

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