

March 2024

CONNECTING THE DISCONNECTED



Industry Report

CHANGE MAKERS CLUB

IN PARTNERSHIP WITH



2024

TABLE OF CONTENTS

01

Contributors

02

Synopsis

03

Demystifying the Frontline

04

Communication Conundrum

05

Future Fit Frontline

06

Conclusion

CONTRIBUTORS



**DAMOLA
WEMINO**

Deputy Head of Internal
Communications at
Mitie



**HANNAH
MACEY**

Head of Digital
Communications at
BAE Systems



**BENEDITK
ILG**

CEO & Co-founder of
Flip



**NIAMH
MAGUIRE**

Head of Transformation
and Strategy at First Bus



**LISA
ALBER**

Director of Customer
Success at Flip



**MEHDI
ZOHOURI**

Head of Digital - Southern
Africa and Australia at
Anglo American



**DR. SEBASTIAN
ULLRICH**

Managing Director
and Partner at BCG



**LAURA
DAVIS**

Chief of Staff at TfL



**ABBIE
MCGILLIVRAY**

Head of Internal
Communications at
Equans UK & Ireland

CONTRIBUTORS



**SATEESH
VIDHYANADHAN**

Head of Digital
Transformation and
Technology at Centrica



**NATASHA
GOWARDUN**

Head of
Transformation PMO
at Post Office Ltd



**TIM
MILFORD**

Head of Transformation
Management Office at
GBRTT



**DAVID
MCDERMOTT**

Enterprise Account
Executive at Flip



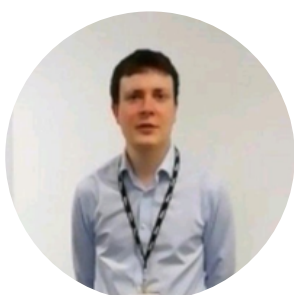
**JULIE
MASON**

People Director at
Mitie



**NICHOLAS
KARL-ROPER**

Global Transformation
Director at Diageo



**BRIAN
LYNCH**

Head of Operations,
Elizabeth Line at
TfL



**ROSIE
SARGEANT**

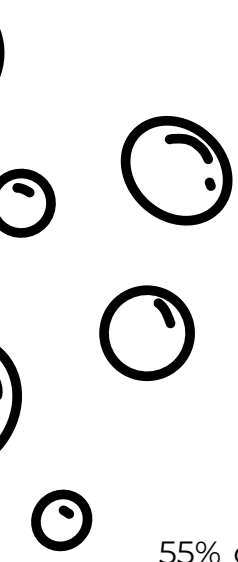
Project Leader at
BCG



**LAURA
GARDNER**

Head of Data and
Digital Services at
Anglo American

SYNOPSIS



“CxOs face a real risk of operating in a bubble and never seeing the actual world their workers face.”

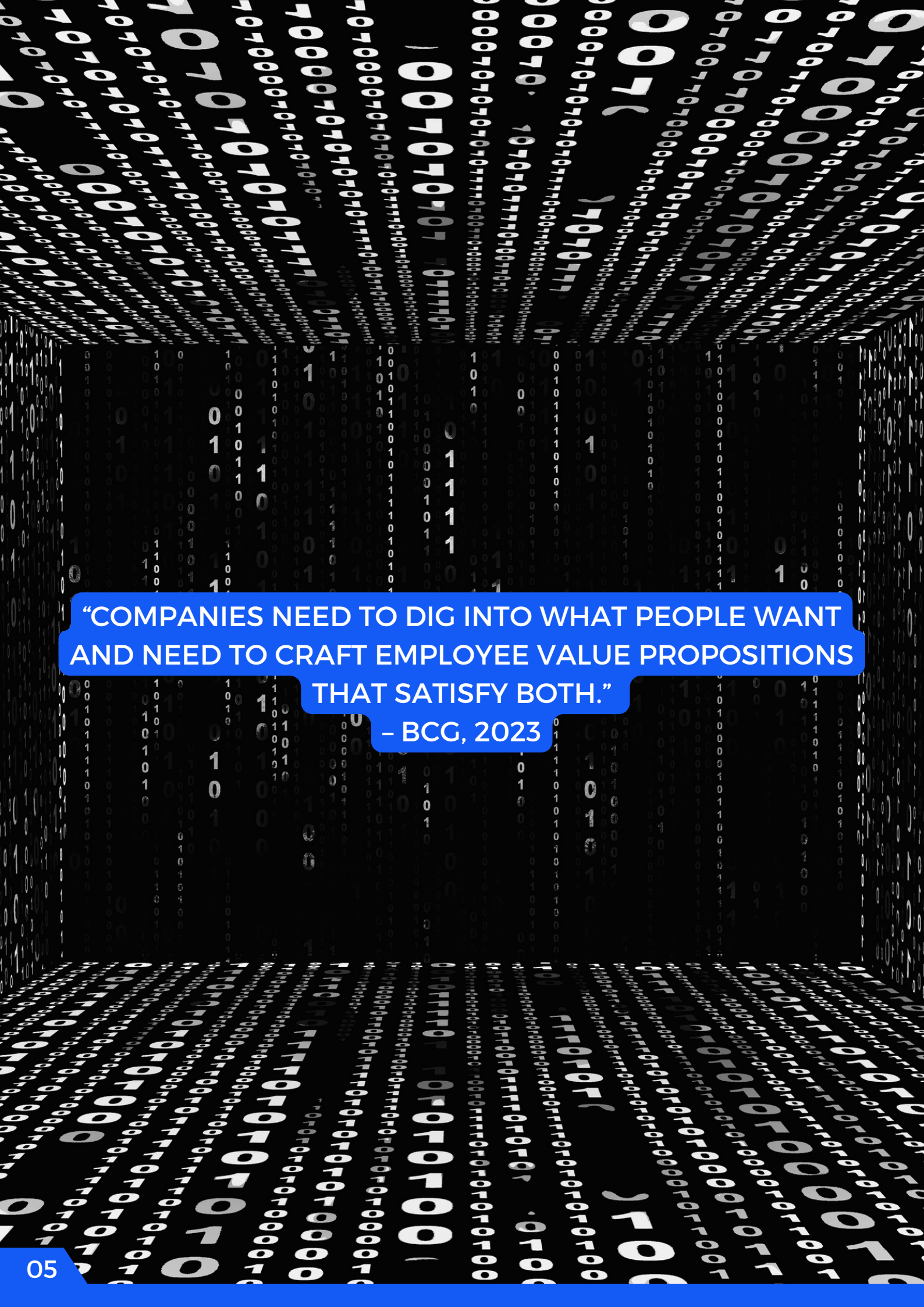
– BCG, 2023

55% of frontline workers are looking to leave their jobs in the next 6 months [BCG, 2023]. Despite, the corporate world having undergone significant digital transformation, frontline workers still find themselves operating in the dark ages, lacking flexibility and modern tools available to their corporate counterparts.

Yet, many organisations risk to fail their digital transformation by neglecting a big part of their workforce. Shifts are still being planned on whiteboards, information being passed through many hands and holidays being requested via text, hindering productivity, collaboration and causing high turnover. Senior executives are struggling to reach their frontline employees and as a result 66% of deskless workers feel disconnected from the central office [HBR, 2022].

The clock is ticking for organisations to secure an indispensable part of the business. How can you close the digital gap and embrace technology holistically to satisfy your frontline employees while securing the digital transformation of your business?

To find out, we've invited 18 Change Makers members from retail, hospitality, technology and transportation organisations to share their insights at a roundtable dinner. And now, we're sharing the actionable insights and findings in this report.



“COMPANIES NEED TO DIG INTO WHAT PEOPLE WANT
AND NEED TO CRAFT EMPLOYEE VALUE PROPOSITIONS
THAT SATISFY BOTH.”

– BCG, 2023

DEMYSTIFYING THE FRONTLINE

How can we better meet the unique needs of the frontline workforce?

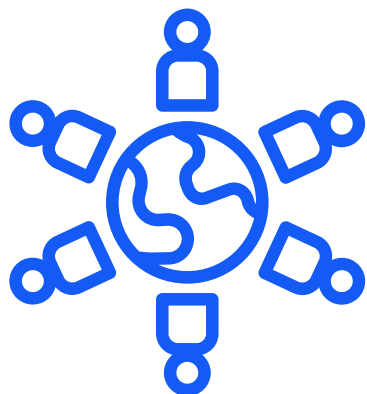
“The organizations that succeed at addressing the most critical aspects of work – acquiring and retaining critical talent, supporting all employees holistically, and confronting how they ethically collect and use employee data – will be able to differentiate themselves as employers of choice.”

– Harvard Business Review, 2023

Amidst talent shortages emerging across diverse industries, from retail to transportation, the value of frontline workers cannot be overstated. These individuals constitute 80% of the global workforce [Forbes, 2022] and are indispensable in propelling organisations towards success. The employees' satisfaction, engagement, and well-being often directly correlate with the quality of customer interactions. Yet, the irony is profound: while their significance is paramount, the nuances of what they need to thrive at work are misunderstood at best. At worst, ignored.

DEMYSTIFYING THE FRONTLINE

Embracing Diversity



“It’s easy to talk about the frontline workforce as a homogenous group but the reality is that they’re really not.”

– Tim Milford, GBRTT

A common misconception about the frontline workforce is that it’s a homogenous group, with similar needs, preferences, and behaviours. However, this couldn't be further from the truth. Frontline workers are diverse and multifaceted, even within a single company, making it essential for businesses to refrain from applying a one-size-fits-all approach.

For example, one of the dinner attendees spoke about a digital watch initiative that had varied adoption rates – not due to the technology's effectiveness or its relevance, but due to the unique cultural differences across countries. What's embraced by one culture can be met with indifference or even scepticism in another.

Another attendee also vividly illustrated this diversity. The simple act of distributing a paper-based monthly magazine can evoke contrasting reactions. While some employees may interpret it as a representation of inclusion, fostering a sense of community and belonging, others might be concerned about its environmental implications. This duality reinforces that even well-intentioned efforts can have unintended consequences if companies do not adequately recognise and account for the diverse perspectives within their frontline workforce.

DEMYSTIFYING THE FRONTLINE

Unleashing Flexibility

The work landscape underwent significant transformations during the pandemic, with even greater flexibility and support offered to desk workers while simultaneously more demands were placed on frontline workers. For burned-out workers, competitive remuneration is no longer the golden ticket. Workers today demand a supportive work environment that caters to their emotional health and well-being through an inclusive culture. Eight of the top ten factors that cause frontline workers to quit involve emotional needs [BCG, 2023].

“When we compared desk workers and deskless workers, the preferences in flexibility, location, time and duration of work were pretty much the same.”
– Sebastien Ullrich, BCG

Julie Mason from Mitie shed light on an essential aspect – the employees' perception of the company. It's not just about what a company does, but how it makes its employees feel. For instance, all Mitie employees are shareholders. This goes beyond financial implications: It's a powerful testament to inclusion and trust, allowing employees to feel intrinsically tied to the organisation's successes and challenges.

Furthermore, initiatives like employee assistance programs, as highlighted by Laura Gardner from Anglo American, underline the importance of transparency, guidance, and support. By offering clarity and assistance, organisations are not just providing a service but are communicating that they value and respect their workforce's well-being. Indeed, frontline workers now associate safety, respect, and transparency as critical markers of an organisation's integrity.

DEMYSTIFYING THE FRONTLINE

The Toll of Churn

“You can easily put dollar values on the value of an engaged vs disengaged workforce.”

– Rosie Sargeant, BCG

In a talent shortage environment, employee retention is more critical than ever. The reality is that nearly 40% of frontline workers are planning to leave their jobs in the next six months [BCG, 2023]. The effects of turnover are multifaceted, spanning from low morale to tangible financial losses. As Brian Lynch of Transport for London mentioned, the costs of training replacements are steep – especially in specialised roles. Beyond monetary implications, the repercussions extend to operational inefficiencies, reputational risks, and customer dissatisfaction.

It's paramount for organisations to view investments in their culture and employee satisfaction not as optional expenses but as critical investments. Their satisfaction and engagement are instrumental in shaping the overall trajectory of business success and customer satisfaction. Recognising their intricate differences and consistently prioritising their needs isn't just good practice; it's a business imperative.



**“WITH DIGITAL COMMUNICATION TOOLS, FRONTLINE
EMPLOYEES END UP FEELING LIKE HUMAN BEINGS
AND LIKE THEY ARE PART OF A COMMUNITY.”**

– Forbes, 2023

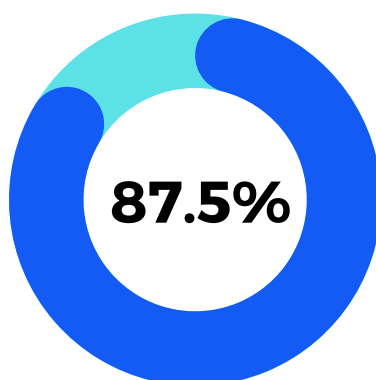
COMMUNICATION CONUNDRUM

How can we optimise communication in the digital age?

“Communication, like other organizational functions, must
be agile in the face of change.”

– McKinsey, 2023

The complexities of the frontline workforce ecosystem cannot be downplayed. This intricate system of interpersonal and digital interactions, expectations, and challenges impacts the performance of organisations – especially in industries where face-to-face customer interactions are frequent. While many aspects contribute to the well-being and productivity of frontline workers, effective communication, robust managerial support, and attention to nuances emerge as the cornerstones of success.



**of respondents believe there is a disconnect
between senior executives and the frontline
workforce within their organisation**

COMMUNICATION CONUNDRUM

Crafting a Unified Message



“Social media can get hijacked by people posting, so you end up with a lot of negativity.”

– Brian Lynch, TfL

Effective communication isn't merely about distributing information; it's about crafting a story, a narrative that resonates with the workforce. Successful communication means increased engagement, willingness to embrace organisational goals, and a sense of belonging. Brian's statement about workers lacking email addresses underscores a fundamental challenge. When communication trickles down primarily through managers, there's a potential for messages to be distorted or misinterpreted. One solution could be to create a digital hub bringing everyone together and allowing top management to share concise and engaging content, breaking the traditional corporate communication strategy.

In this digital age, the omnipresence of social media adds another layer of complexity. Hannah from BAE Systems emphasised on understanding its role highlights the inherent volatility of this communication platform. As Tim from GBRTT remarked, the sheer speed at which narratives can be shaped and reshaped on platforms like Twitter, especially during sensitive scenarios like union negotiations, means organisations constantly grapple with retaining control over their story. As a result, Benedikt mentioned that deploying a digital app is the best way to create a sense of unity amongst frontline workers. It also gives the organisation the possibility to oversee the communication platform. For instance, delivering a message from the CEO himself on the app, is a great strategy to appease the workers and increase acceptance rates [Benedikt Ilg, Flip].

COMMUNICATION CONUNDRUM

Frontline Managers Matter



“Frontline managers face immense pressure, dealing with a huge workforce and sometimes, they haven’t had training on how to properly manage people.” Tim Milford, GBRTT

Often serving as the bridge between the head office and the ground, managers bear a considerable weight on their shoulders. Their roles encapsulate diverse responsibilities, from training to information circulation, which adds a lot of pressure. Their importance cannot be understated. Yet, frontline managers often receive only 20% to 30% of the organisation's attention in training [BCG, 2023]. As the frontline workforce's immediate points of contact, their effectiveness can dictate the rhythm of operations. An initiative to implement prolonged face-to-face training does not only aim at improving skill development but also at fostering a community – a cohesive unit that can lean on each other in times of need.

COMMUNICATION CONUNDRUM

Small Things Count

In the vast landscape of organisational operations, it's easy to overlook the finer details. Yet, these seemingly minor touches can be the difference between an engaged employee and a disengaged one. Benedikt's emphasis on the visibility of top leadership, such as the CEO, in regular interactions such as training videos humanises the hierarchy. It sends a message of inclusivity and care. Furthermore, the significance of onboarding experiences, as indicated by the 20% impact on attendance, showcases the ripple effect of these 'small' gestures [Benedikt Ilg, Flip]. Sateesh from Centrica shared insights that also reflected this sentiment. An employee survey, which may seem rudimentary, uncovers a fundamental need: timely and accurate information. Addressing such straightforward concerns can lead to a marked surge in employee satisfaction.



“Communication strategy is something that you have to invest in (long-term) and it can be process heavy.”

– Benedikt Ilg, Flip

Impactful communication stands as the cornerstone for success. A well-crafted narrative and a focus on workers' nuanced communication needs collectively define the environment, driving both productivity and satisfaction. In an era where every interaction carries weight, acknowledging and proactively addressing these communication dynamics is paramount.



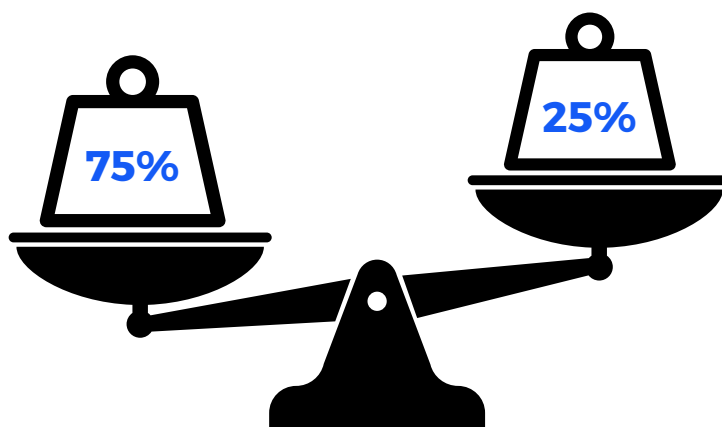
**“DIGITAL TECHNOLOGY REPRESENTS A GROUNDBREAKING
APPROACH TO TRANSFORMING FRONTLINE OPERATIONS,
EMPOWERING CURRENT EMPLOYEES AND ATTRACTING
NEW ONES.”
– Forbes, 2023**

FUTURE FIT FRONTLINE

How can organisations maximise the potential of the frontline workforce?

“Organisations need to provide the right digital tools to their frontline associates – not just to corporate and HQ staffs – to ensure workers are empowered, engaged and happy, and to improve operational efficiency and revenue.”

– Forbes, 2023



75% of respondents are actively using technology tools to engage the frontline workforce

The corporate world has undergone significant digital transformation. And frontline workers, who have traditionally been anchored in physical spaces, are also experiencing a shift in their operational landscape. The nature and impact of these transformations, however, can vary, demanding personalised and meticulous approaches from organisational leaders.

FUTURE FIT FRONTLINE

Rethinking Processes



**“It’s all about processes, we dig into detail to understand what works what doesn’t, what needs fixing for our clients.”
– Dave McDermott, Flip**

Central to any transformation is the evaluation of existing processes, many of which may seem outdated in the modern age. The example of the paper payslip is a case in point. Niamh from First Bus viewed the weekly distribution of paper payslips as a step back, imposing both logistical and financial burdens. However, Abbie from Equans explained that for some, paper payslips shouldn’t just be transactional documents. They could become symbolic touchpoints, evoking a connection to their organisation – similar to brand marketing. This contrast emphasises the importance of contextual understanding before embarking on digital transformation journeys. One size does not fit all.

FUTURE FIT FRONTLINE

Flip to Digital

Seeing as the corporate world has become fully digital and flexible, frontline workers now crave the same. As such, incorporating digital tools and apps into the everyday lives of frontline employees has the potential to resolve communication, collaboration, and flexibility issues. For instance, Sebastian from BCG mentioned an innovative recruitment approach for frontline workers. It consists of organising a continuous 72-hour recruitment event that accommodates the unique schedules of shift workers, acknowledging their constraints and preferences.



“We want employees to know that the flexibility that they crave is at their fingers.”

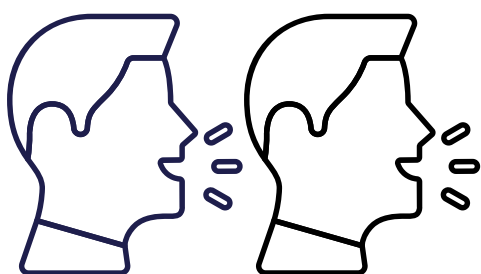
– Sebastian Ullrich, BCG

Beyond recruitment, an employee app can add features such as shift swapping that offer the much desired flexibility but also cater to the organisation’s needs. As noted, “such interventions can lead to reductions in attrition rates, up to 20%” [Sebastian Ullrich, BCG]. However, Brian Lynch from Transport for London mentioned that whilst offering flexibility is ideal, a significant trust foundation is necessary for everything to work seamlessly. And, having that trust is easier said than done.

Nonetheless, employee apps can provide real-time sentiment analyses through natural language processing. This could enable organisations to conduct frequent sentiment analyses rather than a traditional annual survey, allowing them to better understand what matters to frontline workers and act on it faster.

FUTURE FIT FRONTLINE

Overcoming Pushbacks



“Word of mouth is the biggest driver. It’s conveying that you’re missing out on essential information and easy access to everything.”

– Dave McDermott, Flip

While the importance of digital tools is undeniable, their introduction to the frontline ecosystem must be done with care. Technology is often met with suspicion, especially if there's a perception of surveillance or control. The solution isn't to force through resistance but to position these tools as enablers, not enforcers. Integrating genuine value into apps, such as booking holidays or accessing shifts, transforms them from mere communication platforms to essential daily tools. Leveraging internal spokespeople can also amplify adoption rates. The goal should be to create an environment where the narrative surrounding technology is one of empowerment and convenience, rather than surveillance.

As the frontline workforce stands on the cusp of the digital age, leaders must navigate with empathy and foresight. While the digital promise is vast, its realisation depends on understanding the unique needs, aspirations, and apprehensions of the workers. Only then can technology truly augment the frontline workforce experience.

CONCLUSION

The essence of our report lies in acknowledging and valuing the diversity inherent within the frontline workforce. Our research reveals the stark contrast between the perceived homogeneity of these workers and their actual multifaceted nature. Companies must pivot from a one-size-fits-all approach to one that recognizes and respects the unique cultural, emotional, and professional needs of their frontline employees. By doing so, organisations not only enhance the well-being and satisfaction of their workforce but also bolster their operational efficiency and customer relations.



Our findings also underscore the critical need for flexibility and inclusivity in the workplace. As the dynamics of work evolve, frontline workers seek environments that support their emotional health, respect their contributions, and offer tangible avenues for their voices to be heard and valued. Initiatives that foster transparency, provide supportive resources, and create a culture of trust and respect are paramount. These elements are not mere luxuries but necessities for cultivating a workforce that is engaged, satisfied, and committed to the organisation's success.



Finally, the future of the frontline workforce hinges on the effective integration of technology. Digital tools and platforms offer unprecedented opportunities for enhancing communication, fostering flexibility, and empowering employees. However, the implementation of such technology must be sensitive to the concerns and preferences of frontline workers. By positioning these tools as enablers of a better work experience rather than mechanisms of control, organizations can overcome resistance and foster a culture of digital empowerment. This approach not only addresses immediate operational needs but also aligns with the broader goal of making the frontline workforce future-fit.

CONNECTING THE DISCONNECTED



Change Makers is a global community of senior executives who aspire to driving long-lasting change within their large and complex organisation. As a community we discuss the opportunities and challenges ahead, bench test our thinking and hear peer review. On a regular basis we meet for confidential meetings and produce industry reports. Learn more about the Club, access content and apply to join up-coming events via our website.

www.changemakersclub.com

AUTHORS



James Harris
Club Founder



Chloe Vais
Club Director

Flip is an award-winning employee experience platform designed for enterprises with hard-to-reach workforces. Its secure and easy-to-use app acts as a single digital interface between a business and its employees, helping them streamline everything from onboarding and communication to shift planning and task management at scale. From the moment employees are hired, they have what they need to be happier and more productive at work. Flip was founded in 2018 in Germany and featured by Gartner and Wired. Top companies like Bosch, Porsche, and McDonald's use Flip to reach, engage, and transform their workforces in over 72 countries.

www.getflip.com

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